

NEWS SUMMARY

GENERAL

Hospital strike threat lifted

A planned strike by hospital electricians in up to 100 hospitals throughout Britain from Monday was postponed last night, after a new pay offer from the Government was accepted as a "basis for negotiation".

Union officials will decide on Monday whether to call off other proposed industrial action, including an overtime ban.

After urgent talks with Ministers, the electricians were offered a productivity plan designed to restore parity with electricians in the private contracting industry. Mr. David Ennals, Social Services Secretary, said that he was greatly relieved that the immediate threat to patients had been averted. **Back Page**

Prince's marriage

The Pope has refused permission for Prince Michael of Kent and Baroness Marie-Christine von Reibnitz to marry in a Roman Catholic church. The main reason is said to be Prince Michael's decision that children of the marriage should be brought up as Anglicans. The Baroness, who is a Roman Catholic, now will marry the Prince in a civil ceremony in Vienna this month.

Blacks mourn

Several thousand African school students attended a commemorative church service in Soweto yesterday to mourn the 500 blacks who died in riots two years ago. South African riot police set up road blocks and searched cars near the church. **Page 2**

Zaire withdrawal

The United States has begun pulling U.S. servicemen and equipment out of Zaire's troubled Shaba province after completing an airlift of troops and supplies for an African peace force. The only white troops left behind in Shaba are 300 Belgian paratroopers in small mining outposts.

Belgian crisis

Mr. Leo Tindemans, Belgium's Prime Minister, who tendered his resignation to King Baudouin on Thursday, agreed to the king's request yesterday to try again to resolve the differences in his coalition government. Italy, the main political parties have started informal talks to see if they can agree on a successor to Sig. Giovanni Leone, who resigned as President, to answer to corruption allegations. **Page 2**

Tarling charges

Home Secretary, Mr. Merlyn Rees, has decided not to exercise his discretion to prevent extradition to Singapore of Mr. Richard Tarling, former business colleague of Mr. Jim Slater. Mr. Tarling faces five charges under Singapore's Companies Act, having won his appeal in Britain on more serious charges brought against him. **Back Page**

Ulster shooting

Terrorists shot dead a 19-year-old part-time police reservist as he was serving in a shop in Londonderry yesterday. Mr. Roy Mason, Ulster Secretary, announced that Judge Bennett would be chairman of the inquiry into police practices in Northern Ireland.

Drugs found

More than 10 kilograms of heroin worth £2.25m was found in suitcases carried by two men at Heathrow airport last night. The discovery followed 30 inquiries in several parts of Britain.

Briefly...

Cricket: England scored 309 for 8 (Bootham 102 not out) against Pakistan on the second day of the Second Test at Lord's. Packer problems, **Page 9**

Slamese twin girls have been born in Portugal and doctors are considering an operation to separate them.

Visitors to the Netherlands are being advised by UK health authorities to consult their doctors on the need for polio-meningitis vaccination.

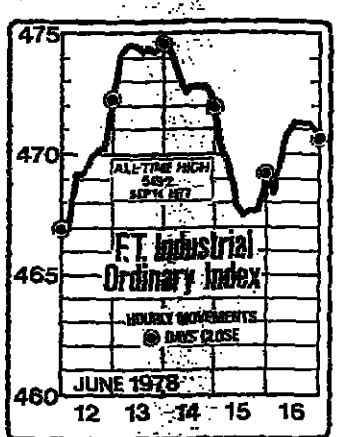
EBC commentary box in the House of Commons is to be fumigated. Broadcasters suspect that sniffer dogs checking for bombs have brought in fleas.

BUSINESS

Gilts react to new tap stocks

GILTS were subdued in the wake of the Government's two issues totalling £1.5bn. The new £1bn ultra-long stock ended at a ½ discount from the £15 paid up on issue. (Back Page). The Government Securities Index closed 0.13 down at 70.44.

EQUITIES were dominated by situation stocks. Industrial



leaders edged higher and the FT ordinary share index closed 1.4 higher at 470.5.

STERLING closed 5 points up at \$1.8310, with its index unchanged at 61.3.

GOLD rose \$27 to \$184 in London and in New York the June Comex settlement price was \$160 up at \$165.20.

WALL STREET closed down 7.28 at 836.97.

FRANCE's Cote des Obligations de Trésor rose 1/8 to 100.00, a \$300m medium-term loan at 1 per cent over interbank rate. **Back Page**

SPANISH GOVERNMENT has approved a decree authorising the establishment of foreign banks in Spain, for the first time since the 1939-39 Civil War, but the terms are so restrictive that of the 80 banks expressing interest, no more than 15 are expected to accept the conditions. **Back Page**

BARCLAYS BANK's plans for the £92.5m takeover of the investment trust Corporation is to be investigated by a special committee of the Investment Protection Committee of the National Association of Pension Funds, after opposition to the deal from some institutions. **Back Page**

EEC has ordered Britain to end its ban on EEC potato imports by July 8 or be taken before the European Court of Justice. Holland had complained that the ban had harmed its trade. At the same time the European parliament has said that the UK Milk Marketing Board is compatible with EEC law.

OIL companies, trades unions and North Sea building contractors have agreed to oppose any further claims for end-of-contract bonus payments from oil platform construction workers. **Page 2**

BANK OF ENGLAND has agreed to a post-entry closed shop for its bank note examiners at its Loughborough works, aimed at a five-week long strike ends with a return to work next week. **Page 4**

BSC Board could have six rank-and-file trade unionist Board members by the autumn if Industry Secretary's plans go ahead for an enlarged Board with a third of the seats going to the unions. **Back Page**

PILKINGTON Brothers prelate profits for the year to March 31 increased to £71.7m (£62.7m) after a marked increase in UK sales and profits in the first half. **Page 16 and Lex**

ARTHUR GUINNESS's taxable earnings for the 24 weeks to March 11 fell from £17.1m to £14.3m and profit from brewing fell by £2.5m to £10.3m. **Page 16 and Lex**

RHONE-POULENC, France's leading chemical group, recorded a FFR 84m consolidated profit for 1977 on turnover of FFR 23.6bn, after 1976 losses of FFR 364m on sales of FFR 21.73bn. **Page 19**

British Petroleum yesterday disclosed two major acquisitions which will reinforce its European operations at a cost of £430m. Its West German subsidiary is to buy the German energy company Gelsenberg. Its chemicals

£210m Veba deal with Deutsche BP

BY JONATHAN CARR: BONN June 16

VEBA, the leading West German energy concern to-day announced a major accord with Deutsche BP which involves a big restructuring in both companies and will help safeguard West Germany's long-term oil supplies.

Under the accord, parts of the Veba Group, Germany's biggest enterprise in turnover terms, will be sold to Deutsche BP for about DM 300m (£210m). They include most of Gelsenberg, which Veba took over three years ago, including refinery and gas interests.

Further BP will be gaining valuable access to the German fuel trade and to petrol station operations through takeover of subsidiaries of Stinnes, the trading and transport arm of the Veba Group.

This should enable BP greatly to strengthen the base of its West German operation. The entire deal is subject to approval by West German and European Community competition authorities. If clearance is given, it will take effect from the start of next year.

In a first reaction, and without prejudice to the competition considerations, the Bonn Finance Ministry gave an enthusiastic welcome to the agreement.

The West German Government holds 44 per cent of Veba stock and, as such, is much the biggest single shareholder.

As well as the access to more crude, Veba is gaining through the deal by a reduction in its surplus refining capacity.

At present, Veba Group refineries are working at little more than 60 per cent capacity. By its Gelsenberg sale is ridding

Reduction

They already have a 44 per cent stake in the North Sea Thistle oil field via the exploration company Deminex in which Veba has a 44 per cent interest. The accord with BP represents a further valuable step on the road to long-term oil supply security.

But in the medium term, both sides expect the structural changes to bring greater profitability.

The BP-Veba discussions have lasted many months in what the British Government says is a co-operative and fruitful manner. It is understood that other discussions between Veba and the British Government are under way, involving possible Veba investment in Britain in the petrochemicals sector.

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Veba forecast Page 19
Lex Back Page

Slowing in rate of inflation appears over

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE SLOWING in the under-decline in the 12-month rate. But lying rate of retail price inflation appears to have ended for the year to mid-July since the time being. But the favourable influences of the last year are still resulting in a decline in the 12-month rate of increase.

The retail price index increased by 7.7 per cent to 195.7 (January, 1974=100) in the year to mid-May, according to figures published yesterday by the Department of Employment. This is the lowest 12-month rate since January, 1973.

Mr. Roy Hattersley, the Prices Secretary, said yesterday that the figures confirmed his statement last Sunday that the 12-month rate of inflation would remain at or about last month's level of 7.9 per cent for the rest of the year. At the same time, there will be minor falls in other months there will be minor increases.

There is not yet enough evidence to confirm or to refute this view. It is likely that the index for mid-June will show a slight decline in the 12-month rate. But there may be a rise in the rate for the year to mid-July since the time being. But the favourable influences of the last year are still resulting in a decline in the 12-month rate of increase.

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Eagle Star buys Champneys

BY MARGARET REID

CHAMPNEYS, the Tring health farm, and other private medical interests of United Medical Enterprises have been bought for about £27m by the Tring-based Eagle Star Insurance group.

United Medical Enterprises is now controlled by the National Enterprise Board.

The businesses have been for sale since Allied Investments, which owned them as well as medical exports and supplies activities, was taken over earlier this year by United Medical, in which the Enterprise Board holds 70 per cent and three institutions 30 per cent.

It was made clear from the £28m bid for Allied that the State-owned Enterprise Board felt that it would be inappropriate for its to retain control of private medical interests in the UK.

Grovewood, an industrial holding arm of Eagle Star, has a wide range of assets, including Brands Hatch motor racing circuit, the Cambridge Theatre in London and scientific instruments and builders' merchant businesses.

Mr. John Danny, who runs it, said last night: "We are concerned with people rather than products and we think the people running these interests are good, with a record of success."

Also included in the sale are the British Nursing Association, a nursing agency, Doctors' Relief Services, which provides locum services, and several nursing homes—Thamesbank Nursing Home, and others. The managers of these different interests will continue and assurances have been given that patients' welfare will be fully safeguarded.

Mr. Home, at Goring-on-Thames, Tiesbrook Private Clinic, at Wadhurst, Sussex, and Unsted Park Nursing Home, at Godalming.

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subsidary is to takeover substantial interests of Union Carbide. The moves involve a contract to supply West Germany with crude oil and will leave BP with a 25 per cent stake in Ruhrgas, the main German gas business.

BP Chemicals in £220m Carbide bid

BY KEVIN DONE, CHEMICALS CORRESPONDENT

BP CHEMICALS is poised to make its biggest acquisition in Western Europe with the \$400m (£220m) purchase of the main part of Union Carbide's European chemicals operations.

It has agreed in principle to acquire Union Carbide's main European subsidiaries BXL (Bakelite Xylonite) in the UK and Union Carbide Belgium based in Antwerp. Also included in the deal is the chemicals division of Union Carbide UK and laboratory facilities in Geneva, Switzerland.

The two companies expect to complete the deal by the end of the year, but it is still subject to both parties obtaining Government consent and final approval from the main boards of BP and Union Carbide.

BP Chemicals' name has been linked with several leading chemical companies in Europe and the U.S. in recent months. It has suffered badly from the crisis in the petrochemicals industry in Western Europe over the last year and action to improve its falling profitability became inevitable.

With the purchase of the Union Carbide subsidiaries, BP Chemicals is acquiring businesses with annual sales of more than \$300m (£163m). Last year it made profits of £18m from a worldwide turnover of \$661m. Pre-tax profits in 1976 were \$48.5m.

Warned

Mr. Len Burchell, managing director of BP Chemicals, said recently that the company would have a diversified operations. Its particular vulnerability arises from its heavy concentration in base petrochemicals.

Mr. Burchell said that the company did not have a sufficiently wide spread of products to go on generating profits, when some parts of the business were in difficulty.

The Union Carbide acquisitions offer BP Chemicals assured access to a large captive market for its base petrochemical products and also access to some specialist plastics technology. The Union Carbide operations employ 4,000 people.

Union Carbide made the first approach to BP Chemicals in March. One of the largest chemical companies in the U.S., Union Carbide has run into difficulties in recent years with an investment strategy based on expectations of high growth.

Other businesses in the U.K. have already been sold, and with the move was sparked by Citibank's second largest U.S. bank, but was quickly followed by two other large banks, Chase Manhattan and Morgan Guaranty Trust.

Citibank said it was warning its prime higher, even though the formula it uses for calculating the rate did not reflect the underlying trend of rates was upward.

Investors will want to see if the Federal Reserve Board reinforces this trend. On Tuesday, the Federal Reserve Market Committee, which sets the Fed's monetary policy, holds its regular monthly meeting in Washington.

There are predictions that the Fed will decide to tighten credit further because recent rises in the money supply and monetary base imply that money growth is intensifying inflationary pressures on the economy.

The decision may be a difficult one for the Fed, since some evidence is emerging of a slowing in the U.S. economy. Some economists predict that growth will fall off significantly in the second half of the year.

Upward pressure on interest rates could slow the economy further, particularly through Continued on Back Page

UNITED STATES GROWTH FUND

Since mid-April share prices on Wall Street have staged a sharp recovery. Whether this upturn in the market represents a brief rally only, or whether it heralds the beginning of a sustained bull market is difficult to determine at this time. Even so, it is our firm belief that the market is now towards the lower end of its present cycle and that, even if the consolidation seen in recent days continues, the scope for capital gains is substantial in the medium term.

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OVERSEAS NEWS

Egypt likely to receive \$950m payments lifebelt

BY DAVID WHITE

PARIS, June 16.

EGYPT appears to have won a breathing space in its payments problems. A remaining \$950m in loans needed to cover its expected deficit this year is likely to be assured within the next six weeks or so, Dr. Hamed el Sayeh, Economy Minister, indicated at the end of a three-day meeting of the Consultative Group for Egypt, held under the chairmanship of the World Bank.

Senior World Bank officials said they saw no need for a further rescheduling of Egypt's \$12bn foreign debt for the next two or three years.

The large amount of medium-term debt still outstanding could bring a renewed deterioration in the Egyptian debt profile after that. But Mr. El Sayeh said he hoped that higher earnings from oil, the Suez Canal, and tourism would enable the Government to meet its obligations.

The creditors' meeting of 14 countries and various international agencies took place in a markedly different atmosphere from last year's, when Egypt was from \$800m in arrears in repayment of short-term banking facilities. A 50 per cent rise in aid disbursements last year, including a large amount of liquid funds, enabled much of the short-term debt to be converted into longer-term maturities.

International Monetary Fund approval of a three-year extension, amounting to an extra \$720m, is now considered a mere formality, following a letter of intent from the Egyptian Government on its policy measures over the loan period. Dr. El Sayeh said Egypt hoped to bring down its inflation rate from 25 per cent to 10 per cent in the three years.

A first tranche of about \$120m is expected this year. Approval of the extended IMF facility will clear the way for the General Organisation for the Development of Egypt, a fund backed by Saudi Arabia, Kuwait, Qatar, and the United Arab Emirates, to decide on its aid commitment. This is likely to give Egypt a further \$800m to \$700m this year. Japan, which also still has to decide its aid commitment, is expected to make up the remaining requirement.

Egypt's deficit on its current and capital accounts this year, including about \$750m in repayment of long and medium-term debts, is expected to be about \$2.4bn. Commitments already made, including suppliers' credits, cover over \$2.4bn. The U.S. has made a fresh

Talks start to find Leone's successor

By Dominick J. Ciole

ROME, June 16.

ITALY'S MAIN political parties have started informal discussions to determine whether a substantial measure of all-party agreement is possible on a presidential candidate to succeed Sig. Giovanni Leone, who resigned last night following widespread, but unsubstantiated, allegations of corruption.

Sig. Leone left the Quirinale Palace shortly before midnight, following a televised session in which he said he would defend himself as a private citizen against his accusers.

The acting president is Sig. Amintore Fanfani, the President of the Senate, and now a likely candidate for the Quirinale, as he was seven years ago.

As acting President, he today received Sig. Giulio Andreotti, the Prime Minister, and Sig. Pietro Ingrao, the Communist President of the Chamber of Deputies, who had consultations with party leaders in the chamber.

Both Houses of Parliament, together with representatives of the regional governments, must meet together by June 30 to vote by a two-thirds majority on a successor to Sig. Leone.

Early indications are that the main parties are anxious to avoid a damaging contested ballot.

The parliamentary strength of the Communist Party (PCI) is such that it has an effective veto on any candidate proposed by the Christian Democrats (DC). On the other hand, the PCI will not wish to push its opposition to the point of risking a general election, given the party's setbacks in recent regional contests.

The central committees of both the DC and the PCI are likely to meet next week to decide on party strategy. The succession at the Quirinale was considered at preliminary meetings today by the Socialists and the Social Democrats.

Thousands attend Soweto service

BY QUENTIN PEEL

JOHANNESBURG, June 16.

SEVERAL THOUSAND Soweto school students attended a mass commemorative service today for the children who died in the riots of 1976, while riot police stopped and searched cars in the area.

The police activity was part of a nation-wide security operation in which 600 people have been arrested in the past two days. But today's memorial services, held in black townships and colleges throughout South Africa, passed off without serious incident.

There was an appreciable reduction in the number of blacks coming to work in Johannesburg from Soweto, although few shops and offices reported serious absenteeism. The low level of traffic could have been caused by workers spending the night in town. Students organising the memorial service have not urged a stay-away but have asked employers to allow their employees time off to attend the services.

Most shops in the township complex were closed for the day, and virtually all closed between noon and 2 pm as a sign of respect for the commemoration of the riots, in which more than 600 died. Indian shops in the city were also closed for two hours in sympathy.

Between 3,000 and 5,000 students attended the biggest memorial service at the Regina Mundi Church in Soweto, singing hymns, liberation songs, and listening to speeches and poetry about the riots.

Atmosphere in the church was extremely tense, as police set up roadblocks on the surrounding roads, and parked a "Vimp" armoured personnel carrier on the other side of the road.

But the excitement of the crowd only exploded twice—when they enthusiastically mobbed Dr. Nkomo Motlana, chairman of the Soweto Committee of 10 and former chairman of the banned Black Parents' Association, and when they suspected an American television reporter of being a policeman. The reporter only just managed to prevent his tape recorder being seized.

The students refused to allow any white South African journalists into the church, restricting entry to overseas correspondents. They also banned the correspondent of the Nation, the newspaper of Chief Gatsha Buthe's Inkatha movement.

Both Dr. Motlana and Bishop Desmond Tutu, secretary-general of the South African Council of Churches, spoke at the service, as well as student leaders.

Dr. Motlana said the detention of black leaders and the banning of the black newspaper, The Voice, in recent days meant "we are entering a period of darkness. All the lights are dimming. All the lights are going out."

"It is quite obvious that the lesson of 1976 has not been learned," he said. "It is quite obvious that the Government of this day has no desire to change."

Bishop Tutu, however, said he had "absolutely no doubt that we are going to be free... simply and solely because the white people who rule this land know that the system is an evil system. It is an oppressive system. Until we black people in this country will be free."

After the service, police fired a warning shot when children attempted to stop passing cars to get lifts. No other incident was reported.

Begin moves to defuse crisis

BY DAVID LENNON

TEL AVIV, June 16.

MR. MENAHEM BEGIN, the Prime Minister, today held discussions with his Foreign and Defence Ministers in an effort to defuse the Israeli cabinet crisis over the future of the West Bank and the Gaza Strip.

The possibility of a cabinet split led leaders of the Opposition Labour Party to meet last night to examine the chances of forming a coalition Government in the event of Mr. Begin's government falling.

Mr. Shimon Peres, the chairman of the Labour Party, has been reported as telling party leaders that dramatic political developments are possible over the next few days. He did not rule out a realignment among the political parties because of the crisis.

The cabinet is divided over a reply it should make to American questions about the permanent status of the West Bank and Gaza Strip. The U.S. views Israel's offer of limited self-rule for the Palestinians as an interim arrangement and wants to know what will be the final

PLO claims Iraq plotted Yasin killing

KUWAIT, June 16.

THE MODERATE Palestinian leader Mr. Ali Yasin, was buried in Kuwait today, as his organisation, Fatah, Palestinian Liberation Organisation (PLO) claims that Iraq was behind the killing.

Mr. Yasin, 43, was a founding member of Fatah, the largest Palestinian Liberation Organisation (PLO) command group, and its representative in Kuwait. He was shot dead in front of his home yesterday morning by unidentified gunmen.

Almost immediately Fatah blamed Iraq's intelligence services for the murder—the second of a prominent PLO figure in six months. Iraq denied the accusation.

Last December the PLO's London representative, Said Hammami, was shot dead in his office. According to some Arab Press reports, the killer—never caught—acted on behalf of an Iraqi-based Palestinian organisation led by Abu Nidal, a former member of Patah.

The Kuwait Government has condemned the murder of Mr. Yasin and has vowed to spare no effort to track down his killers, but police today were silent on any possible findings.

BP chairman in Tehran for talks with Shah

By Andrew Whitley

TEHRAN, June 16.

TALKS IN Tehran this week-end between Sir David Steel, chairman of British Petroleum, the Shah and senior Iranian officials could have a vital bearing on the protracted negotiations between the National Iranian Oil Company and a 14-member Western consortium, led by BP, for a new long-term agreement.

Sir David is accompanied by Mr. John Sutcliffe, BP's managing director, who has led the consortium side in the Tehran negotiations. They arrive in the Iranian capital tonight. Apart from the Shah, they are expected to see Mr. Ali Hoveyda, the Court Minister, an influential personality—Mr. Joushid Amouzgar, the Prime Minister, and top officials of NIOC.

The last round of negotiations with NIOC ended six weeks ago, with no indications of progress. After the previous session in March, "significant progress in several areas" was reported, but progress appears to have been slow since then.

Although no firm date has been set for a resumption, sources here say the next round should begin towards the end of this month, or in early July. Almost certainly, that would be the last session before the long summer break.

BP has a dominant 40 per cent stake in the consortium, entitling it to the same proportion of the group's output.

Japan electronics plant to be opened in Dublin

BY CHARLES SMITH

TOKYO, June 16.

A SMALL Japanese manufacturer of audio equipment, Toho Denki, is to establish a ¥1.2bn factory in Dublin which will be used as a base for exports to the EEC. It was revealed today.

The factory will operate as a joint venture between Toho and the Irish Industrial Development Authority, which is expected to take 25 per cent of the equity.

It will employ 600 and aims to achieve annual sales of about ¥4bn after a build-up period of two or three years.

Toho is one of a handful of small to medium-sized Japanese electronics manufacturers which are almost wholly dependent on exports. The company's products are marketed under the brand name Unisat but are also sold in Europe under the labels of well-known European manufacturers.

The products of the Irish factory will carry EEC certificates of origin and will therefore be entitled to tariff-free entry into other European markets.

Toho appears to have had talks with development authorities in the UK and several other European countries before settling on Ireland. The choice of Ireland in part has been dictated by the availability of a 12-year tax holiday.

The decision to start local manufacture in the EEC reflects the anxiety of many Japanese electronics manufacturers about the growth of barriers to direct exports from Japan.

Japanese exports of audio equipment to Britain came under a form of voluntary restraint last summer after many years of similar restraints on Japanese TV exports.

The audio restraints are likely to be confirmed and extended at a meeting due to take place in the Irish Industrial Development Authority next week between the UK and Japanese electronic industry associations.

Ethiopian heads discuss Eritrea

NAIROBI, June 16.

ETHIOPIA'S LEADERS today began a 10-day seminar which will discuss ways of ending the 17-year rebellion in Eritrea.

Addis Ababa radio, monitored here, said ambassadors had flown in from their posts abroad and from the country's military rulers, ministers, trade unionists and others had assembled in the capital to take part.

Diplomatic observers said the gathering appeared to reflect pressure on the Ethiopians from their Cuban and Soviet allies who formerly trained and supported the rebels and are now reluctant to become embroiled in a big military campaign against them.

Shipyards in Sweden to lose 9,000 jobs

By William Dullforce

STOCKHOLM, June 16.

SWEDEN WILL have only two major shipyards operating at reduced capacity by the end of 1981 under the latest Government plan. Of the 20,850 still working in the yards last December, close to 9,000 will lose their jobs. Hardest hit will be Gothenburg, Sweden's second city.

The plan, which will be submitted to Parliament in the autumn, is "the largest planned re-organisation ever undertaken in any branch of Swedish industry," according to Mr. Nils Assling, the Minister of Industry. Spokesmen for the Social Democratic opposition and the Gothenburg shipyard workers described it as a death blow for Swedish shipbuilding, which was once second only to the Japanese in annual tonnage built.

The privately owned Kockums yard in Malmö and the state-owned Uddvalv yard will continue to build ships but Kockums will reduce staff by 1,100 to 4,100 and Uddvalv by 1,800 to 2,300. The Arendal yard in Gothenburg, which is being sold to a private company, will reduce staff by 1,400. The Eriksberg yard in Gothenburg, which still employed 2,700 in December, is being shut down under an earlier decision.

Mr. Assling said Svenska Varv, the state company operating all the big yards except for Kockums, would need state financing of Kr 6.7bn (\$700m-£830m) over the next three years, while the reduction in capacity was being effected. Kockums agreed to co-operate in the Government plan when it was recently granted a Kr 340m state loan.

Talks go on at New York paper

BY JOHN WYLES

PROSPECTS FOR a settlement of a strike by 1,340 journalists and commercial staff at the New York Daily News appeared bleak today after a night in which the newspaper failed to publish for the first time since the stoppage began on Tuesday.

Negotiations between the management and the Newspaper Guild continued this morning according to a news agency story were close to agreement.

The talks are being closely monitored by the two other daily newspapers here, the New York Times and the New York Post which are both expected to suspend publication if the News remains shut down over the weekend.

The Times yesterday increased the pressure on the guild by telling its journalists, whose contract officially expired on March 30, that it was terminating arbitration in future disputes arising from a number of working conditions. At the same time the Post also announced changes in journalists' working conditions, including lengthening probation periods and shortening the period during which employees who are laid off can expect to be offered fresh employment.

Initiatives at both papers are seen as acts of support for the News, which is seeking agreement with the guild on similar issues. Once an agreement is reached at the News it is expected to provide the broad pattern to be followed by the other two newspapers.

Publication of the News was suspended last night largely because delivery drivers changed their minds and decided against crossing picket lines. The operation with the company had led to angry scenes during the previous two nights. Last night the News management charged that "roving bands" had beaten up four management workers who had been helping to produce the newspaper.

Teamsters refused cover

BY STEWART FLEMING

NEW YORK, June 16.

LLOYD'S OF LONDON has refused to renew the fiduciary liability insurance of trustees of the pension funds of the Western Union and the Teamsters Union on the grounds that it is an uninsurable risk.

The insurance protects trustees of the pension fund from liability for defence costs in the event of litigation against the funds. Increasingly, however, partly because of the sharp increase in lawsuits against the union funds, they have been finding it more difficult to get insurance.

The greatest difficulty has been encountered by the Teamsters' central states pension fund in terms of health and welfare fund. The funds have been under investigation because of alleged links with the financing of organised crime.

In March, the Aetna Life and Casualty Company cancelled its fiduciary liability policy with the central states fund which has since been unable to find insurance elsewhere.

Schmidt warns on spending rise

BY ADRIAN DICKS

BONN, June 16.

CHANCELLOR HELMUT SCHMIDT has delivered a warning to West Germany's taxpayers that if they insist on a large, deficit-financed increase in Bonn's public spending, the consequence could be a rise in West German interest rates that would hamper real growth, disturb capital flows and risk upsetting foreign exchange markets.

However, the German Chancellor emphasised that he would support the Bonn economic summit meeting ready to "strive for international compromise and package deals, and would be willing to take some steps, even if I'm not convinced that they would be helpful."

In an interview with Business Week, Herr Schmidt referred once again to Bonn's high rate of public borrowing, now equal to 4.5 per cent of gross national product, as a hindrance to tax cuts being suggested by many in West Germany including the Chancellor's Free Democrat coalition partners.

"The room for financial deficits has to be measured in terms of the rate of interest you achieve in the capital markets. I have reason to be very cautious, if I read the signals in the capital market carefully."

Juan Carlos in Peking

BY JOHN HOFFMANN

PEKING, June 16.

THE KING of Spain arrived in China today to a rambunctious welcome that illustrated the importance given to his visit by the Chinese Government. King Juan Carlos, Queen Sofia and their retinue were met at Peking airport by Premier Huo Quong-feng, Vice Premier Teng Hsiao-ping and other Chinese leaders.

Almost the entire ambassadorial corps turned out, and Premier Hua and King Juan Carlos rode together when they left for the official guest house—uncommon in terms of Peking protocol, as a lesser deputy usually accompanies important visitors.

Later the King had his first round of talks with Teng Hsiao-ping. No details were released, but the talks are believed to have embraced trade and foreign policy. Senior economics and foreign affairs officials of both governments took part.

THE ROAD TO PAKISTAN

China's third world aid

BY SIMON HENDERSON, RECENTLY IN GILGIT, PAKISTAN

THE OPENING of the Karakoram Highway between China and Pakistan tomorrow is most of all yet another example of Chinese aid to the developing world of the most tangible kind. Like the Tanzam railway in central Africa, the road has been constructed with a huge imported Chinese labour force and beyond its immediate strategic implications, it will be a continual reminder of what China can do for its friends.

In trade or defence co-operation terms, the road as presently constructed means little. But it will open up the entire northern areas of Pakistan. It starts about 50 miles from Pakistan's capital, Islamabad, and stretches some 450 miles to the Chinese border at the Khunjerab Pass, running through some of the most inhospitable terrain in the world.

The territory is the meeting point of the great mountain ranges: the Pamirs coming south from Russia, the Himalayas in the south-east, the Karakoram in the east and the Hindu Kush in the south-west. At the Chinese border the pass rises to nearly 15,000 feet.

Until that point numerous glaciers and rivers have to be crossed. In nearly 30 years of construction, workers on the road have had to cope with extremes of temperature, rebellious tribesmen, tremors and rockfalls.

About 100 people live in the region, in a state of abject poverty. The main town of Gilgit, little more than a trading centre before work started on the road, is now a thriving administrative centre with plans to become a tourist base offering skiing and trekking.

It was for development and greater political control that Pakistan first started work on the Karakoram Highway in 1959. Army engineers and labour battalions were used initially but when work resumed after the 1965 war with India it was decided to extend the road to the Chinese border and make it suitable for a two-way heavy traffic rather than a single track road.

The Chinese came in at this point to construct a similar highway on their side of the border to link up with the railhead of

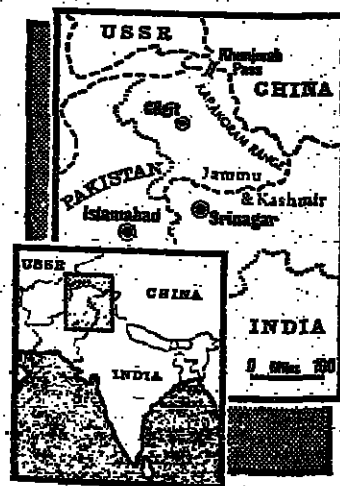
Arumchi, the capital of Sinkiang province. During the 1971 war with India work was again abandoned on the Pakistan side. The Chinese offered a skilled labour force to help alongside Pakistani engineers when work resumed.

For years the size of this guarded secret. Now it has been revealed to have been 9,500 Chinese and 15,000 Pakistanis. Casualty figures from explosive accidents and rockfalls are not given so openly, but sources in Gilgit say 500 Chinese died and nearly 2,000 Pakistanis. Given the difficulties of the terrain and its inherent dangers, the figures do not seem unlikely.

The Chinese delegation at tomorrow's opening ceremonies is being led by Vice-Premier Peng Hsiao-ping. Diplomatic sources in Islamabad say that the delegation was originally to be led by a lesser official and that the Chinese upgraded the mission as a show of solidarity with Pakistan against the Russian-backed regime in Afghanistan.

At first sight the hazards of the road diminish its strategic importance. Snow ploughs might be able to keep it open through the winter but it will still be plagued by rockfalls which even now close it for days at a time. The possibility of Chinese tanks and weaponry pouring down the road is a worry for India or to counter Soviet moves in Africa is remote. The road could not stand the weight of traffic and it would only take one fighter bomber to block it at several points.

Indian diplomats, themselves seeking rapprochement with Peking, are apparently unworried by the road, and other diplomats say Russia need be worried about it only in the long term—equipment for the mostly Chinese-armed Pakistan forces will continue to be sent by sea, or in the case of urgent equipment, by air. They say as it is, the Chinese side of the road into Sinkiang province does not apparently connect with the railhead yet, and even when it does, Sinkiang is still a long way from the Indian



On the Pakistan side, where the road ends in the Indus valley near Abbottabad, there is no good connection with airport, railroad or road. Islamabad airport has little cargo facility, the east-west Grand Trunk Road is already desperately over-loaded, and the only link with the south is via the railway from either Peshawar or Rawalpindi. The logical link is the Indus Highway project, but work has only just begun and it will be another 20 years before it is complete.

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Extracts from the Annual Report

| | 1978 | 1977 |
|---|------------|---------|
| | (Restated) | £000 |
| PROFITS: Up 63% as a result of growth and acquisition. | 12,361 | 10,413 |
| DIVIDEND: Increased on greater share capital. | 1,053 | 645 |
| EXPANSION: Acquisitions and new subsidiary companies doing well. | 735 | 510 |
| PROSPECTS: Excellent with current turnover up 10% on previous year. | 181 | 137 |
| | 0.9p | 0.8125p |

Copies of the Report may be obtained from the Secretary, Elswick-Hopper Limited, 10a Chandos Street, London W1M 9DE.

HOME NEWS

Pardoe rules out deal with Tory 'carrion crows'

BY RUPERT CORNWELL, LOBBY STAFF

THE OPEN war between Conservatives and Liberals intensified last night as Mr. John Pardoe, the Liberal deputy leader, described the Tories as "the carrion crows of British politics".

The bitterness of the insults made by one party against another after this week's confidence vote in the Commons, where the Government survived only thanks to Liberal abstentions, is a measure of the importance of the battle at the next election for the 5m Liberal votes of October 1978, won largely at Tory expense.

But it also means that the even-handed strategy sought by Mr. David Steel—that the Liberals would be ready to do a deal with either major party if they held the balance of power in the next Parliament—is a non-existent prospect.

Senior Liberals and Tories believe there is practically no realistic chance of any Lib-Con pact to support Mrs. Thatcher in office.

Mr. Pardoe accused the Conservatives of heaping abuse on the Liberals out of desperation at seeing their chance of electoral victory receding and warned his colleagues to expect much more of the same as polling day approaches.

Sir Geoffrey Howe, the shadow Chancellor, had referred to Liberal support for the minority Labour Government as "rats returning to a sinking ship". Mr. Pardoe said in scorn: "Yet only four years ago he

and Mrs. Thatcher crawled out of the wreck of a general election to beg for Liberal help to float a minority Government. Who were the rats then and what have they done with the skipper? Eat him?"

The Conservatives, he said, were "carrion-crows" who could only feast on the fear of socialism. Now that the Liberals had successfully blunted Labour's extremist leanings, the Tory Party went hungry.

His diatribe was answered in kind by senior Conservatives close to Mrs. Margaret Thatcher, who believed that the censure motion yielded a useful tactical victory by hindering Liberal efforts to disentangle themselves from the pact with Labour.

Both Mr. Teddy Taylor, shadow Scottish spokesman, and Mr. Alan New, the shadow Ulster Secretary, blamed the Liberals for allowing Labour to choose its electoral moment and possibly return to power with an extreme Marxist programme. It is an argument that is bound to be repeated in the Conservative election campaign.

Mr. Taylor said: "There is little doubt that the Liberals will be wiped out at the General Election. In Scotland there are three Liberal constituencies and we will be disappointed if we do not win two of them." The Liberals were mere tools in the hands of an unscrupulous socialist administration, he claimed.

Reform Secrets Act, urges Heffer

BY OUR LOBBY STAFF

MR. ERIC HEFFER, former Industry Minister and an influential Labour Left-winger, last night urged the Government to reform the "Catch all" Section Two of the Official Secrets Act merely the first step towards introduction of a full-scale "Freedom of Information Act".

Mr. Heffer said that this pledge should be contained in the manifesto for the forthcoming election—"although every sign is that the Cabinet will resist any such motion."

Labour's last manifesto in October 1974 committed the Party to legislate to replace the much-criticised Section Two.

But almost four years afterwards, the best that can be expected is a White Paper by the end of this session unlikely to contain any sweeping suggestions.

Pressure for a Freedom of Information Act is in fact one of the main difficulties faced by Ministers framing the Government's proposals. "Many MPs have warned that too timid an approach on Section Two will do more harm than good."

Speaking in Cheshire, Mr. Heffer continued: "The quickest in Britain we have a freedom of information Act the better, and it will not put any real financial burden on the Government."

Judge to head inquiry into Ulster police

BY OUR LOBBY STAFF

JUDGE BENNETT, QC, is to be the chairman of the inquiry the Government is setting up to consider police practices in Northern Ireland after Amnesty International's report on procedures in the Province.

The two other members of the inquiry, announced last night by Mr. Roy Mason, the Ulster Secretary, will be Sir James Haughton,

former Chief Inspector of Constabulary, and Professor John Marshall, in charge of Clinic Neurology at London University.

The terms of reference will be to examine police behaviour relating to the interrogation of suspects, to examine the operation of present procedures dealing with complaints about police conduct, and to make recommendations.

Assembly 'will underpin unity'

ESTABLISHMENT of a Scottish Assembly would underpin the unity of the United Kingdom, Mr. John Smith, Devolution Minister, said yesterday.

He told the Edinburgh branch of the Institute of Directors that devolution was "essentially the moderate option for Scotland."

"So much of the discussion about Scotland's future is bedevilled by a futile clash between two sets of extremists—separatists who want to break up Britain, and die-hard and blinkered Unionists who resist any move at all to decentralise decision-making to Scotland."

"I believe the Assembly will act to underpin the essential unity of the Kingdom. I think the Government's plans offer Scotland a much more constructive future than the sterile proposals of either the separatists or the centralists."

Under the provisions of the Gaming Act 1968 a licence has been granted for THE RITZ CASINO at The Ritz Hotel, Piccadilly, London W1 opening 28th June, 1978. Members only.

Vickers compensation insulting—Robens

BY TIM DICKSON

ACCUSATIONS of "financial rape" over the compensation terms for Vickers' nationalised assets were levelled at the Government by Lord Robens, chairman of the engineering group, yesterday.

In a bitter attack on the payments so far made for Vickers' former aircraft and shipbuilding interests, Lord Robens, a former Labour Cabinet Minister, complained about the "shabby, petty, paltry and insulting" treatment the company had received. He told the annual meeting in London yesterday that the payments on account were "despicable, ludicrous and contemptible."

So far, Vickers has received a total of £7m from the Government for its 50 per cent stake in British Aircraft Corporation and its formerly wholly-owned shipbuilding subsidiary.

They were nationalised on April 29 and July 1 last year respectively and carry a book value of £67.6m in the accounts. Ironically, the first talks on further compensation for the aircraft side also took place yesterday between Government officials and shareholders' representatives.

Discussions about Vickers' shipbuilding interests will be held at the end of this month. Lord Robens told shareholders at yesterday's meeting that the total amount to Vickers for its share of BAC was £3.1m. "Just a tiny percentage of the profits made by the assets taken over."

In 1977, BAC, jointly owned by Vickers and GEC, had made pre-tax profits of £53.6m, while Vickers' shipbuilding profits in the six months before vesting day, amounted to £3.8m.

"Against these figures, the payments were not only despicable, but they were insulting," Vickers had been forced to cut its investment programme from £30m to £20m "because we were in danger of getting into an over-borrowed position with the banks."



LORD ROBENS addresses Vickers' annual meeting in London yesterday.

The group had expected substantial compensation payments, on the strength of which it had borrowed extensively to ensure the maintenance and replacement of existing plant and acquire new businesses.

It had also invested substantially in new technology, especially in undersea engineering, where its know-how would serve the Government well in future underwater explorations for oil reserves.

"During the last four years in all these activities, we have invested £73m," he maintained, "was a warning to every shareholder of modest means."

They should understand that the Government's offer of nationalisation which is promised as if another Labour Government is elected will virtually mean confiscation of what they have."

Commenting on the company's performance in the current year, Lord Robens said results in the first two months had been "mixed".

Losses incurred by the offshore engineering group had persisted, while a strike in Canada and loss of activity in Australia had also been factors in the slow start.

So far this year, 24 companies have received compensation payments from the Government totalling £24.75m.

Last night, the Industry Department said talks would soon be resumed with the parties involved and would last "until agreement is reached." Failing this, companies could go to arbitration.

'More oil in China Sea than in Gulf' claim

ISLANDS in a little-known part of the South China Sea have a bigger oil potential than the Persian Gulf, a defendant in an Old Bailey fraud trial claimed yesterday.

Mr. John Sidney Barnes, 45, economist of St. George's Drive, Piccadilly, denied being involved with a suspended Bank of England official, Mr. John Martin Wales, in a plot to obtain more than £1m in dollar premium rebates on non-existent securities.

Mr. Barnes' counsel, Mr. Martin Tucker, QC, said Mr. Barnes' late President Marcos of the Philippines, denied being involved with a suspended Bank of England official, Mr. John Martin Wales, in a plot to obtain more than £1m in dollar premium rebates on non-existent securities.

Mr. Barnes went on: "In 1973 Mr. Cloma asked me to join their Supreme Council, as he feared they might be annexed by the Philippines named Thomas Cloma, an international lawyer, and covered 64,000 square miles as an archipelago."

Mr. Barnes said he had frequently travelled in the Far East. The hearing was adjourned until Monday, when Mr. Barnes continues his evidence in the case.

FRAUD AND BOGUS BANKS

Drafts that leave one cold

BY MARGARET REID

INTERESTING NEW light on the technique by which certain tiny overseas-registered banks setting up in Britain have succeeded in defrauding the public was thrown by a case which ended this week at Knightsbridge Crown Court and revolved around the Anguilla-based Industrial Banking Corporation.

Two men were jailed for various offences including obtaining diamonds by falsely representing that the company was a genuine and honest business which could make payments through irrevocable documentary credits and in other ways.

The case is worth attention because experience has shown how gullible the public can be when confronted with a company with a high-sounding bank-type name and an impressive-sounding fraudster operating from it.

Moreover, when a concern mounts dishonest deals with international ramifications, as has often been the case in the last two or three years, a new dimension of complication is added and detection becomes more difficult.

Also, until a recent clamp-down, overseas-registered companies with financially-sounding names were able without too much difficulty to operate for a time in Britain, without being fully subject to the controls applying to home-based concerns.

Mentality
"Fraudsters don't get off the ground unless they are of high mentality," one senior police officer remarked recently. "And those who do the frauds in other countries have a lot going for them."

After the convictions at the Knightsbridge court last week of Mr. William John Morley and Mr. Felicio Alberto Morella, details were recalled of an earlier case, as a result of which Mr. Morley had been sentenced in February to five years in prison.

That case had concerned offences commonly known as advance commission frauds. These involve the collection of commissions, often of thousands of pounds, on the promise of fixing up large loans which there is in fact no real prospect of the person purporting to do the business actually arranging.

It was reported in the court this week that Mr. Morley, a financial consultant, had earlier been convicted of obtaining

cheques for a total of £101,000 by falsely representing that he could obtain loans of £13m from Arab banks.

Industrial Banking Corporation was registered in Anguilla, a small island in the West Indies, but afterwards operated from an address in Hanover Square, London. Its name was exactly the same as that of a subsidiary of Citicorp in London, the well-known City of London merchant bank, though there was no connection whatever between them.

This coincidence, which may or may not have been accidental, can hardly have hurt the business of the Anguilla-registered concern.

A major police investigation into the case was carried out by Detective Chief Inspector Roy Elsey early last year, before the accused were arrested in May, 1977.

This inquiry extended to South Africa, Anguilla and Arab countries and cost £100,000, including the expenses of bringing nine witnesses from Johannesburg to give evidence at the trial.

One change on which Mr. Morley and Mr. Morella were convicted alleged conspiracy "to defraud such persons as might be induced to supply diamonds and other precious and semi-precious stones on credit to the Industrial Banking Corporation and to its customers by false representations that the said (IBC) was a genuine and honest business... to guarantee payment for the said diamonds... and that Irrevocable documentary credits drawn upon the said (IBC) would guarantee payment... and by divers other fraudulent means and devices."

A feature of the case was the presence among the accused of the Rev. Thomas Kemp, a retired minister of the United Reformed Church, who wore a clerical collar throughout the trial. He was acquitted of all the charges against him.

Pursuing in the case, Mr. Richard Du Cann, QC, had described the Anguilla-based Industrial Banking Corporation as "a sham—no more than a facade used by the accused to develop credence."

The court was told by the prosecuting counsel that the concern had attempted to engage in large deals, including offering to finance a \$500m cement works in South Africa. It had also pro-

Piccadilly trusts official resigns

By Terry Garrett

MR. NEILL SCOTT, the investment director of the Piccadilly group of unit trusts, has resigned following an investigation into the trusts' dealings by its directors and its auditors, Whinney Murray.

Mr. Alan Judd, chairman of Piccadilly, asked for Mr. Scott's resignation last Monday. Mr. Scott, 30, leaves the company with no compensation.

Piccadilly was named in an unpublished Stock Exchange report into share dealings, which was sent to the Department of Trade, City of London Police, the Unit Trust Association and the Bank of Scotland, trustee to Piccadilly.

The Piccadilly directors and their advisors, Gresham Trust, have concluded that the transactions in which the Stock Exchange investigation was interested consisted of 12 purchases and nine sales. Virtually all of these deals were made by the trust between December 1976 and June 1977.

The 12 purchases involved a total of £187,800. All these securities have since been sold, except for shares with a book value of £14,452 and a current market value of £21,150.

The nine sales totalled £121,000 but this figure cannot be compared directly with the purchases as only some of the sales related to securities included in the purchase figure.

These findings are believed to be the ones mentioned specifically in the Stock Exchange report.

Mr. Judd said that these deals in the shares of the nine companies mentioned in the Exchange's report were transactions where the prices could have been manipulated, but the trust as a whole made a profit.

In a statement yesterday, the directors said that these transactions did not have a material effect on the value of the units in any of the group's funds which in total amount to investments of more than £10m.

The Bank of Scotland had a meeting with the Piccadilly management and its advisors on Thursday. In a statement published last night, the Bank said that "as a result of its inquiries, the bank is satisfied that the cash and securities on the basis of which the current values of the various units are determined continue to be under its control and custody."

Piccadilly has been unable to obtain a copy of the report.

The Stock Exchange has indicated that it is prepared to release the report to Piccadilly only on a conditional basis. It is believed that the report will be handed over only if Piccadilly's management agrees not to pursue any legal action against the Stock Exchange.

Mr. Richard Luders, a Piccadilly director, has taken over the responsibility for the management of the trust's funds in place of Mr. Scott.

Treasury defends lack of precision in spending plans

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE Treasury yesterday stonewalled criticisms from an all-party Commons committee about Government spending plans.

The Treasury has defended its decision not to include in its annual spending White Paper a precise assessment of the medium-term prospects. It also rejects criticisms about the balance between current and capital expenditure made in the Treasury's reply to the March report from the Commons expenditure committee, whose general sub-committee held a series of public hearings with Treasury officials earlier in the year.

These points are made in the Treasury's reply to the March report from the Commons expenditure committee, whose general sub-committee held a series of public hearings with Treasury officials earlier in the year.

The three pages of observations take the same non-committal line adopted by the Treasury witnesses.

The Treasury argues that the Government has not thought it appropriate to include medium-term economic projections in the last two years because of the great uncertainties involved and the likelihood that unjustified weight would be placed on the figures.

"Experience has illustrated the risks, in present circumstances, of linking firm planning decisions too closely to highly uncertain projections of the economy over a number of years."

The Treasury says that great uncertainty surrounds all the main determinants of the future growth of output and the Government therefore seeks to keep its plans flexible, especially for the later years of the five-year survey period, and to review the figures annually.

The Treasury notes the long-term continuing tendency for shortfalls to occur and points to difficulties of prediction, notably in areas which cannot be closely controlled by the Government, since they are influenced by general movements in the economy.

The present approach is to produce an economic assessment expressed mainly in qualitative terms. The Treasury merely repeats the pledge given in oral evidence by Mr. Joel Barnett, the Chief Secretary, that the Government would consider before the next White Paper published to what extent more quantified economic projections should be provided.

The committee also criticised the Government for failing to redress the damage caused to the construction industry by the cuts announced in 1976.

It would not be in the long-term interests of the construction industry if, with the aim of helping the industry, total planned expenditure were increased beyond the level at which it could be sustained."

The committee also expressed concern about the level of under-spending and shortfall in the last two financial years.

The Treasury notes the long-term continuing tendency for shortfalls to occur and points to difficulties of prediction, notably in areas which cannot be closely controlled by the Government, since they are influenced by general movements in the economy.

There is already overcapacity in the steel and concrete platform building industry in Europe.

Orders for concrete platforms that would otherwise have come to the UK could go to Norway or Sweden, while steel platforms orders could go to Holland or France.

Dr. Mabon said that in the next 18 months, it was expected that six or seven orders for North Sea platforms would come to the UK yards.

Bonus claims by oil men rejected

BY SUE CAMERON

OIL COMPANIES, trade unions and North Sea building contractors have agreed to stand firm against future claims by oil platform construction workers for end-of-contract bonus payments.

The Offshore Industry Liaison Committee, meeting in Glasgow yesterday, agreed that these claims, should be rejected because of their adverse effect on platform orders to UK yards.

The committee, set up two years ago to look at problems within the offshore industry, includes Government representatives, trade unions, contractors and oil companies. Dr. Dickson Mabon, junior Energy Minister, is the chairman.

The committee recommended that "contractors, trades unions and clients should act jointly to ensure that claims for termination payments, in violation of existing agreements, should be rejected."

Such claims would reduce the number of orders and "so affect adversely the continuity of employment on UK sites."

In the past, platform construction workers have accepted pay agreements and have then gone on strike to support claims for

end-of-contract bonuses of up to £2,000.

The strikes—nearly always unofficial—have been staged just before completion of a platform scheduled for summer.

Delay at this stage can mean that the floating of a platform has to be delayed for another year because of winter weather.

Two years ago, workers at the Graythorpe yard refused to complete a platform for Burmah Oil for the Thistle field unless they were given termination bonuses.

Eventually, Burmah agreed to foot the bill for the payments, rather than lose the platform for that year. The total cost to the company was said to be about £1m.

There is already overcapacity in the steel and concrete platform building industry in Europe.

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Dr. Mabon said that in the next 18 months, it was expected that six or seven orders for North Sea platforms would come to the UK yards.

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HOME NEWS

Coal Board rejects electricity plan

BY JOHN LLOYD

IN A STRONG counter-attack on the Central Electricity Generating Board, the National Coal Board yesterday rejected the assumptions made in the Generating Board's corporate plan that coal output would fall greatly short of its targets.

The Coal Board also makes it clear that it considers the rate of expansion in nuclear power envisaged by the Generating Board as too rapid, and harmful to the orderly expansion of coal production.

However, the Government, while stressing that it continues its policy of strong support for the coal industry, admitted that there was a possibility of "short-term surpluses of production" of coal.

The Generating Board's plan estimates that the Coal Board will be down 20m tons on its 135m ton target in 1985, and as much as 60m tons down on its 170m ton target in 2000.

In addition, the corporate plan lays considerable stress on the desirability of nuclear power stations on both cost and environmental grounds.

The only coal-fired power station in the Generating Board's future plans is Drax B, which it has been ordered to build by the Government.

The Coal Board said that discussions must be held between the two boards on the immediate future period—up to 1990—and on the period beyond, where options were much wider.

"In the period up to 1990, the main problem relates to the relative use of coal and fuel oil."

"There could be circumstances under which the ability of the generating board to switch quickly from coal to fuel oil in response to fluctuations in relative prices would be incompatible with the sensible long-term planning of the coal industry."

The post-1990 period raises the issue of the size of the nuclear programme, which the generating board envisages as much greater than that included in the recent Green Paper on energy.

"The Coal Board's view has always been that a country must have a nuclear power capability, and that a progressive nuclear programme will be required."

In a strong endorsement of the future role for coal, Mr. Alex Eadie, a Junior Energy Minister, told the South Derbyshire National Union of Mineworkers yesterday that coal was an essential feature in the Government's plans for energy self-sufficiency through the 1980s, and had a major contribution to make in the 1990s and beyond.

He admitted, however, that difficulties might arise in finding markets in the immediate future.

"One of the difficulties faced by the coal industry with its long lead times from planning to production is that productive capacity cannot be varied rapidly to meet short-term fluctuations in the market."

The present investment programme is geared to the longer term and so there may be short-term surpluses of production. The Government has said it would give assistance to counteract these fluctuations.

In the past financial year, it had paid £18.7m to the Coal Board towards the costs of stocking coal, and a further £5.4m to assist coal sales.

North West protest over regional aid

BY RHYS DAVID, NORTHERN CORRESPONDENT

THE GOVERNMENT was yesterday charged with favouring Scotland, Wales, and the North East of England in allocation of regional assistance, to the detriment of the equally needy North West.

The charge is one that has been levelled increasingly in the North West, especially in Yorkshire, but details of the grievance were yesterday spelled out more fully than before by Mr. Arnold Tweedale, chairman of the North West Industrial Development Association.

Mr. Tweedale claimed that the assistance which the area was receiving from the Government and the EEC was lower than in other regions.

Total assistance per head of working population received under the Industry Act up to March last year had amounted to only £205 in the North West, compared with £281 in Scotland, £614 in Wales and £386 in the North East.

Assistance from Brussels under the European Regional Fund up to the end of last year totalled £71 per unemployed person in the North West, compared with £206 in Scotland, £233 in Wales and £376 in the North East.

Mr. Tweedale was speaking before an audience which was meant to include Mr. Eric Varley, the Secretary for Industry, who was forced to withdraw at short notice. He expressed concern that Wales and Scotland now have a further advantage as a result of the setting up of their own development agencies.

He urged the Department of Industry and the National Enterprise Board to consider the North West as a location for the new micro-electronics plant which the Government plans to fund.

He told the association's annual meeting of the loss of 207,000 jobs in the North West since 1965—a fall of 7.3 per cent, compared with 3.3 per cent in Wales, 2.1 per cent in Scotland and only 1.2 per cent in the North East.

The North West's share of national unemployment had also increased over the same period from under 13 per cent to around 15 per cent, while its share of vacancies had fallen from 12 per cent to 8.5 per cent.

The ratio of unemployed people to vacancies was higher than in any other region in Great Britain.

Loss of jobs

Special steelmakers try do-it-yourself

BY OUR NORTHERN CORRESPONDENT

NEEPSSEND, THE Sheffield steelmakers, is expanding in the do-it-yourself market to counter the fall in special steel.

The group, which had a turnover of £122m in the first half of 1977, is well known for its 'Centrite' brand masonry drills, also used extensively in the engineering industry.

More recently it has added a range of products bearing the Centrite name, including hand saws, circular saws, and bench-type abrasive materials.

The attraction of do-it-yourself for Neepsend is its continued buoyancy. The total market for "handyman products" is estimated to have grown from £500m in 1976 to £600m in 1977.

Increased leisure and the difficulty of obtaining craftsmen are likely to expand the market much faster than the economy as a whole, said Mr. Stanley Smeight, chairman of Neepsend and this year's Master Cutler in Sheffield this week.

Expansion in this market enables the company to consume internally a higher proportion of its own output of tool and high-speed steels.

The market for special steels generally remains depressed, with most Sheffield producers working below capacity because of weak demand and heavy pressure of imports, particularly from Germany.

New products

A range of new products, including tools for cutting glass, ceramics, and plastic laminates, has been added to basic engineering tools and masonry drills, and further new products are being explored.

In recent years it has developed abrasive products using a flexible steel strip impregnated with tungsten carbide chips.

Much of the company's investment in the next few years will be in tools to support continued expansion in the market. About £500,000 is to be spent on a new lightweight compact industrial drill, Rotabroach, claimed to cut drilling time.

About £250,000 is being spent this year on a new metalworking shop which will be built in Sheffield costing £250,000 designed to increase efficiency of steel production.

Technology

GEC, like its rivals Thomson and Siemens, has a difficult task of finding a suitable partner or acquisition in the U.S. All three companies believe that a U.S. link is needed, both to gain access to a rapidly moving technology and to capture the share of the U.S. market which must be the pre-requisite for mass production of standard components like computer memories and micro-computers.

Siemens and GEC have both realised that acquisition of a small semi-conductor company could be hazardous because of the danger that the key managers and scientists would leave after a take-over.

On the other hand the famous names in the industry are probably too big to be taken over and digested by any European company. And the risks would be very high.

A joint venture, therefore, would seem the best compromise for GEC. It would offer on the one hand, the possibility of big profits if it could be successful in the expanding market for standard memories and processors.

But even if the venture were not profitable, GEC would gain access to the "leading edge" of technology which it will need for the successful design of a whole range of its systems.

Any losses could be set against the substantial research and development sums which it would in any case have to commit to this field.

Banknote examiners win closed shop

BY PAULINE CLARK, LABOUR STAFF

THE BANK of England has conceded a post-entry closed shop to banknote examiners at its Loughborough printing works in Essex.

The bank has made known its willingness to introduce a post-entry closed shop for some time in line with its closed shop agreement with some other groups in the works, but the strikers were apparently not satisfied until yesterday that steps would be taken to ensure union membership among new entrants.

A mass meeting of the strikers yesterday decided to return to work next week after receiving what were understood to be firm assurances also on super-visors' union membership.

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World Cup commercial strike ends

BY PAULINE CLARK, LABOUR STAFF

ABOUT 100 technicians last night called off a week-long strike which had stopped Tyne-Tees Television putting out commercials.

They agreed to return to work after the company withdrew a disciplinary letter to a technician, who withdrew a Chrysler car advertisement using Scotland footballers, because of their poor World Cup performance against Iran.

The dispute cost the station an estimated £130,000 in lost revenue.

Lorry-drivers to meet on ballot protest

By Our Midlands Correspondent

A MASS meeting of Birmingham lorry-drivers is expected tomorrow to consider a call for a vote of no confidence in Mr. Alan Law, a regional trade group secretary of the Transport and General Workers' Union.

The move follows allegations about irregularities in a ballot by the 5/35 Branch of the TGWU held last November, when Mr. Law was branch secretary.

He is said to have returned a bloc vote in favour of two candidates instead of conducting a full ballot.

The regional committee of the TGWU declared the election void and ordered a re-run. Mr. Law resigned as secretary of the branch of about 4,500 which was divided into four.

After a complaint by two shop stewards about the ballot, the West Midlands Police Commercial Squad is investigating the position.

These branches have called a meeting in Birmingham tomorrow to consider the issue. Mr. Law, who is at present visiting his friend, Mr. Arthur Scargill, the Yorkshire miners' leader, is not expected to attend.

Controversy has followed Mr. Law, whose drivers were among the first to breach the Government's 10 per cent pay guidelines with a 15 per cent deal.

His success as Midlands trade group secretary for commercial transport in boosting the earnings of drivers is likely to win him support against his critics.

Nalgo demands more cash for Health Service

BY PAULINE CLARK, LABOUR STAFF

BRITAIN'S fourth-biggest union, the National and Local Government Officers' Association, yesterday demanded more cash for the Health Service.

Delegates at the union's annual congress at Brighton approved a motion seeking further and substantial injections of funds, to enable the service to "re-establish its rightful place" in the standards of health care expected by Britain.

They were particularly concerned because many hospitals could not be opened because of lack of funds, and urged that more hospitals be built in the next decade.

Mr. David Bowring, health service administrator, told delegates that in the past 15 years, turnover of patients in hospitals had gone up by 30 per cent, the number of beds had risen by 17 per cent, but waiting lists were still up by 20 per cent.

Managers call for Phase Four pay code

By Alan Pike, Labour Correspondent

BRITISH Institute of Management representatives will next week tell Mr. Denis Healey, the Chancellor, that they accept the need for further pay guidelines when Phase Three expires at the end of July.

Sir Derek Ezra, B.I.M. chairman, said in Brighton last night that it might accept "an even tougher attitude to pay settlements in the months ahead."

But there had to be some flexibility to deal with anomalies and to restore differentials, particularly of middle and senior managers.

The Chancellor would be asked to set up a body to deal with anomalies and pay-relativity.

Blastfurnacemen go back at Llanwern after three weeks

BY CHRISTIAN TYLER, LABOUR EDITOR

BLASTFURNACEMEN at Llanwern, South Wales, called off a three-week strike yesterday which cost the British Steel Corporation £8.6m and the loss of 150,000 tons of steel.

Nearly 5,000 men laid off will be recalled from tomorrow, when the 550 strikers go back, and production is expected to resume early next week. But the corporation will still take delivery of 20,000 tons of imported hot rolled coil for tin-plating, mainly from Holland, ordered to help fill the gap.

Members of the National Union of Blastfurnacemen at the plant accepted the solution to the dispute worked out at talks in London on Thursday night.

BSC has agreed to add two more men to two of the four shifts in part of the No. 3 blast-furnace, the biggest in the country.

The men maintaining troughs which deliver molten iron to ladles for transport to the steel mills had demanded higher manning to end overtime working.

Im jobless 'may never work again'

MORE THAN 1m unemployed in the UK could never work again, unless a radical new approach is taken to the problem by the Government and unions, Lord Cullen, told the annual meeting of the North East Development Council in Newcastle yesterday.

Cement men walk out

WORKERS at the Bine Circle and pickets were reported to be blocking entrances. The company said the dispute was over a pay offer and Phase Three of the Government's pay.

About 1,000 men were involved in code.

SCOTTISH EUROPEAN INVESTMENT CO LTD

Summary of the Financial Year to 31st March.

| | 1978 | 1977 | Increase % |
|--------------------------|------------|------------|------------|
| Asset Value per Share | 53.1p | 49.6p | 7.1 |
| Including dollar premium | 3.5p | 3.0p | 16.7 |
| Net Assets | £7,965,475 | £7,442,473 | 7.0 |

Income Available for Ordinary Shareholders

| | 1978 | 1977 | Increase % |
|--|-------|-------|------------|
| Earnings per Share (excluding tax adjustment 1977) | 1.70p | 1.36p | 25.0 |
| Ordinary Dividend | 1.50p | 1.20p | 25.0 |

At 31st March, 1978, our net asset value stood at £7,965,475, equivalent to 53.1 pence per share. This represents an increase of 7.0 per cent over last year, and compares with a rise of 4.8 per cent in the European index over the same period.

In the course of the year the holdings in France, Germany and the USA have been increased from 34.1% to 55.7%, reflecting the improved investment potential of those countries.

We are recommending a final dividend of 1.20 pence net per share. This is in line with our forecast, and together with the interim of 0.30 pence paid in December 1977 makes a total of 1.50 pence for the year, an increase of 25 per cent.

Since the end of the financial year we have made application to the Bank of England to take out additional foreign currency loans under the new dispensation concerning investment in foreign currency bonds issued by E.E.C. agencies. The new regulations effectively enable us over a five year period to obtain a direct holding in foreign currencies without going through the dollar premium.

Copies of the Report and Accounts contain a list of the Company's investments and can be obtained from the Managers—Stewart Fund Managers Limited, 45 Charlotte Square, Edinburgh, EH2 4HW.

Boustead Limited

OVERSEAS TRADERS

| | Year to 31.12.77 | Year to 31.12.76 |
|--|------------------|------------------|
| Turnover | 25,041 | 23,654 |
| Pre-tax profit | 1,886 | 1,546 |
| Attributable profit before extraordinary items | 575 | 356 |
| Earnings per share | 5.03p | 3.11p |
| Dividend payable per share | 1.50p | 1.50p |

Boustead Limited has grown considerably in recent years, and now functions as a broadly based international group, operating in the Far East, Australia, New Zealand, the U.S.A. and the United Kingdom.

Points from the Chairman's Statement:—

* Profit before tax up 22.0%

* Earnings per share increased by 62.0%

* Further increases in the profit contribution recorded from the Malaysian plantations and the Singapore and United Kingdom trading companies.

* Expansion of activities in the Far East continues.

Copies of the Report and Accounts and Corporate Brochure available from the Secretary, Boustead Limited, 14/15 Conduit Street, London W1R 9TG.

1823-1978

NEWS ANALYSIS — THE SEMI-CONDUCTOR MARKET

Big race for the silicon chip

BY MAX WILKINSON

INTENSE SPECULATION has already started on the outcome of a race between the National Enterprise Board and the General Electric Company for a share of the mass semi-conductor market of the 1980s.

GEC is hoping to set up a joint venture with Fairchild, the U.S. semi-conductor company, while the Board intends to go it alone with the help of a group of six to eight U.S. and British expatriate technologists, brought together by Mr. Dick Petrill, a Texas venture financier.

Both ventures, however, appear to be directed at the same market, that for high density memories for computers and other standard applications.

The main target for the Enterprise Board is a silicon chip which contains 64,000 separate memory cells. This product is now being developed by several major semi-conductor companies in the U.S. and Japan.

It seems certain that the GEC/Fairchild plans will be aimed at the same target. Since this is a highly competitive race against established giants, the question is whether either or both can succeed, and whether there is room in the UK for two new ventures of this kind.

The National Enterprise Board is pinning its hopes on the brilliance of the team which it has picked. To leading the established companies it will have to entice men who are already at the forefront of the technology and who have designs, so to speak, in their pockets.

Fujitsu, the Japanese computer company, has already announced its own version of the 64,000 Random Access Memory (64K RAM) chip, which is now available in sample quantities.

However, Fujitsu's product, though the first to be announced, because it uses different voltages from those that have become standard in the computer industry. It cannot therefore be plugged into existing designs.

without inconvenient modifications. The U.S. competition is close behind. Intel, Mostek and Texas Instruments, the three leading companies in this branch of semi-conductor technology, are all expected to produce their first 64K RAMs this year.

The first company to offer a chip in the standard 16-pin package using the normal five-volt supply will have a head start in a market expected to be worth \$15m in 1979 rising rapidly to \$250m by 1983.

The 64K RAM will rapidly take over from high density memory chips now on the market which are moving from 4,000 cells per chip to 16,000 (the 16K RAM).

The significance of the 64K RAM is not merely that it will store four times as much information in the same space as the most advanced memory at present on the market.

A more important fact is that it will bring the present technology for etching circuits on silicon almost to its theoretical limit.

The next generation of circuits will require the present etching processes to be replaced by more expensive X-ray equipment and electron beams under computer control which can implant transistors directly onto the silicon chips.

Research into X-ray techniques and electron beam lithography, now well under way, indicates that capital costs in the semi-conductor industry will rise rapidly in the 1980s perhaps to ten times the present level or more.

Incentive

The prospect of huge capital expenditures clearly provides a powerful incentive for companies like Fairchild to seek a richer partner.

In the current year, Fairchild is expected to spend about \$15m on capital equipment, compared with more than £50m by its larger rival, Texas Instruments.

In the longer term, therefore, an injection of cash from a company like GEC could be needed to stay in the race.

For its part, GEC has almost certainly considered the possibility of an outright take-over of Fairchild, which GEC could

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AMENDED NOTICE

Co-operative Bank

With effect from

12th June, 1978

the following rates will apply

Base Rate Change

From 9% to 10% p.a.

Also:

7 Day Deposit Accounts 7% p.a.

1 Month Deposit Accounts 7½%

Gilts pause for thought

The gilt-edged market never "cheaper" way of raising cash than a conventional rights issue. On Monday, the odds were that the new long tap (Exchequer 12 per cent 2013/17) would be sold out on day one. But the stage started to think again when the authorities acted with indecent haste to replace the exhausted short tap on Monday, and Wednesday's trade figures also made them pause for thought.

In the end, probably about a third of the long tap was left unsold when the applications had been counted up on Thursday, and the tap stock started life at a small discount. After that, there were no queues for the new short tap yesterday.

In equities, share prices have generally stood up reasonably well to a battery of bad trading news from major companies. English China Clays, Arthur

Westland's problem this time is the helicopter factory at Yeovil, where the earnings of 2,000 employees are determined by the piecework earnings of less than half that number. However, negotiations are still going on. And since provisions already made (and anticipated) wage inflation until the contract is completed, it is possible that eventual losses could be lower.

The new Westland's share price into a spin on Thursday, knocking £11m off the capitalisation, but a slight recovery yesterday left the shares 11½p down for the week at 35p.

LONDON

ONLOOKER

THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM MAY 18

| | % Change |
|-----------------------|----------|
| Discount Houses | +2.4 |
| Engineering and Paper | +1.7 |
| Chemicals | +1.5 |
| Mining Finance | +1.4 |
| Investment Trusts | +1.2 |
| Food Manufacturing | +1.2 |

THE WORST PERFORMERS

| | % Change |
|-------------------------|----------|
| All-Share Index | -1.6 |
| Insurance (Life) | -1.4 |
| Newspapers, Publishing | -1.3 |
| Entertainment, Catering | -1.2 |
| Insurance Brokers | -1.1 |
| Breweries | -1.0 |
| Hire Purchase | -0.9 |

Guinness, Chloride, Westland, and Tate and Lyle were among those which left the analysts blushing, and the gloom was only lightened by yesterday's bright figures from Pilkington Brothers.

Barclays' trust deal

Barclays Bank's scheme to buy the Investment Trust Corporation (ITC) for £93m in shares and pass it on to the Post Office Staff Superannuation Fund for £85m in cash is an ingenious deal which should leave everyone involved feeling happy apart from Barclays' shareholders. They can be forgiven for feeling disgruntled.

The logic for the bank is that this three-cornered scheme is a

gives the chance to issue shares against 15 to 20 per cent with a rights issue, is irrelevant. The discount is being given away to outsiders—ITC shareholders—and cannot be compared with a discount to existing holders. The cost of this discount is of course being borne by the company—effectively existing shareholders who will end up with a smaller stake in their company.

Shareholders may feel a dividend increase of 20 per cent is inadequate compensation for the dilution of their interests, and already there seems to be a fair amount of resentment building up in the institutions.

Westland shocker

The old tale about bad figures taking a lot longer to add up than good ones was certainly borne out by Westland Aircraft's interim results which did not appear until the 7 pm on Wednesday night. The

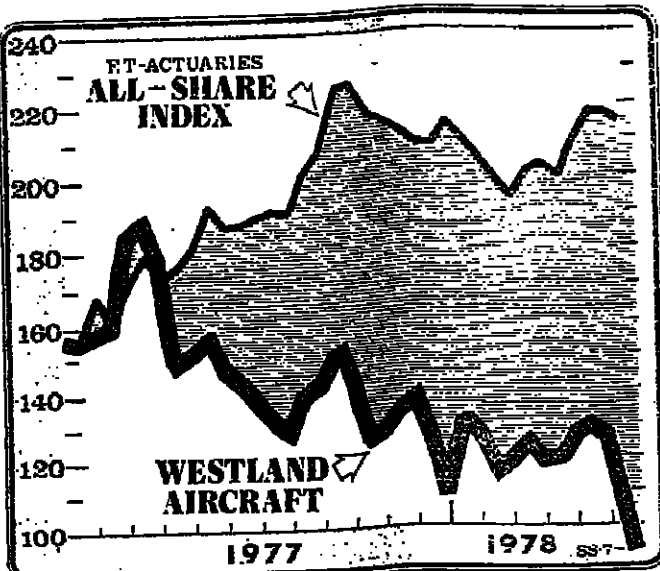
news, contrary to analysts' expectations, was very bad. As a result of continuing problems on the Lynx helicopter project for the Ministry of Defence further provisions—possibly as great, or even more than the £8m provided last year—will be necessary in 1977-78. This implies that Westland's largest operating unit—helicopters—will end the year to September

Shipping buffeted

The shipping sector continues to be buffeted by bad news. This week London and Overseas Freighters reported attributable losses of £4.3m, against profits of roughly the same order the previous year, missed its dividend and announced that it was postponing its loan repayments. The Lofts share price ended the week over 25 per cent lower, and once again our shipping sector index moved in the opposite direction to the market generally.

Scarcely a week goes by at the moment without a shipping company coming out with a gloomy statement. Apart from Lofts, British and Commonwealth's results on Thursday showed that its shipping side lost over £0.5m in the second half while in the previous week both Furness Withy and P and O emphasised the distressed state of the industry.

The problems are well known. There is a chronic surplus of shipping tonnage which is keeping freight rates far too low while there is also a tremendous overcapacity in the world shipbuilding industry. Until equilibrium is reached the industry is going to be in the doldrums.



However, shipping shares have taken quite a beating over the past 18 months. While the All-share index has fallen by only 5 per cent, the P and O share price has dropped by nearly 60 per cent and the prices of Ocean Transport and Furness Withy are down by a third. Both Ocean and P and O are currently yielding over 10 per cent and the share prices are discounting some pretty awful results in the current year. Unless the UK shipping industry is going to sink from sight the shares of these two former "blue chips" could be near their nadir.

Sour figures

Tate and Lyle's results must have left a bitter taste in the mouths of shareholders this week. Interim profits were 55 per cent lower and analysts are forecasting full-time results of £2m less than last year's first half £24.9m. Mainly due to the huge world sugar surplus, Tate's refining activities turned round from a profit of £7.1m to a loss of £0.4m, while commodity trading dipped £8.3m to £11.3m and starch by £1.7m to £1.6m. Also, because of the continuing depression in freight rates, shipping's contribution was reduced to nil, compared with £1.2m last time. Only engineering prospered, so it was a relief to hear the chairman stressing that the policy of maintaining dividends remained unchanged—for the moment at least. Putting aside the uncertain future, however, it is clear that

A time for questions on Wall Street

NEW YORK, June 15.

AT LEAST this time no one can say that they were not warned. Citibank cast something of a chill over the market on Wednesday with the publication of a warning in its monthly Economic Letter that: "There's every reason to expect a further rise in interest rates." By yesterday the message had taken hold and the Dow Jones Industrial Average suffered its largest daily decline in more than one month.

This morning Citibank raised its prime rate—the charge it makes on loans to its best customers—and within an hour many of the country's largest banks were following suit and establishing the highest prime rate since early 1975.

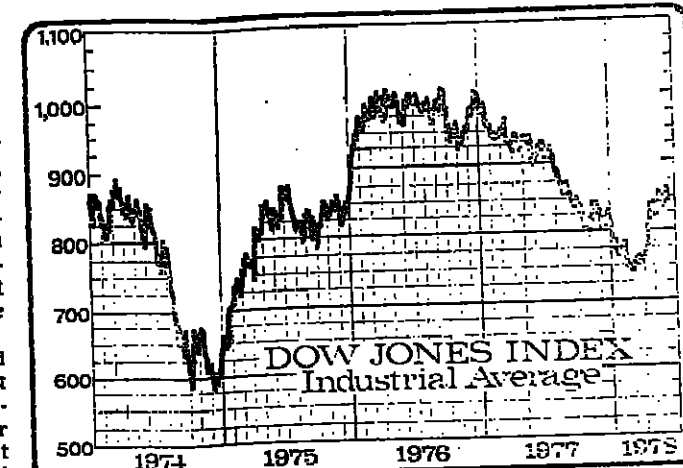
Part of the reason is a huge increase in corporate short-term debt. According to Citibank corporate debt has been rising at an annual rate of 12 per cent compared to 8 per cent during 1976, and only 5 per cent in 1975.

NEW YORK

JOHN WYLES

1975, the first year of the recovery. But the character of this debt is now changing with long-term borrowing falling dramatically and short-term and intermediate debt rising from only 20 per cent of total external financing in 1976, to more than 60 per cent in the first quarter of this year.

This had a dramatic impact on bank loans which rose by only 2bn dollars in 1976, 21bn last year but at an annual rate of 47bn dollars in the first quarter of this year. The cost of corporate borrowing has risen by 2 to 3 per cent over the last year and the question over short-term future of the stock market is now whether investors will continue to take the benign view of tighter credit which has



been a notable feature of the current rally. The Federal Reserve board is widely expected to raise its key short-term interest rate—the start of the month in an attempt to curb the growth in the money supply and hence attack the expected 1975 inflation rate of about 7 per cent.

Will the market take an increase in the Fed funds rate from 7½ per cent to say 7¾ per cent as a further cheering sign that both the level of inflation and the level of economic activity will be lowered and the economy perhaps positioned better for a further advance in 1980? Or will it fear that the month outlook is sufficiently obscure to justify greater caution in the equity front? Moreover, the increase in interest rates makes other debt instruments significantly more alluring than equities?

These are some of the questions being pondered on Wall Street, where the market's performance this month is considered extremely impressive for a quarter of this year. During the week trading of corporate borrowing has risen by 2 to 3 per cent over the last year and the question over short-term future of the stock market is now whether investors will continue to take the benign view of tighter credit which has

| | Closing | Change |
|-----------|---------|---------|
| Monday | 358.72 | + 2.51 |
| Tuesday | 358.93 | + 6.24 |
| Wednesday | 354.58 | + 2.42 |
| Thursday | 344.25 | + 10.51 |
| Friday | 336.97 | + 7.28 |

MARKET HIGHLIGHTS OF THE WEEK

| | Price | Change | 1977 | 1978 | |
|-------------------------|-------|---------|-------|-------|------------------------------------|
| | Y'day | on Week | High | Low | |
| Ind. Ord. Index | 479.6 | + 3.7 | 497.3 | 433.4 | Following in the wake of Gilts |
| Albright & Wilson | 170 | +20 | 172 | 86 | Agreed higher bid from Tenneco |
| Bath & Portland | 80 | + 9 | 83 | 62 | Speculative demand/Int. figs. soon |
| British & Commonwealth | 283 | -11 | 305 | 252 | Current profits warning |
| B H South | 113 | +14 | 125 | 63 | Bid rumours |
| Brown & Jackson | 123 | +21 | 125 | 24 | Reheated speculative interest |
| Churchbury Estates | 283 | +28 | 283 | 233 | British Land acquires 15% stake |
| Combined English Stores | 101 | + 8 | 101 | 73 | Encouraging retail sales figs. |
| Henderson (J.W.) | 208 | +49 | 210 | 138 | Agreed bid from Cement-Roadstone |
| Investment Trust Corp. | 273 | +20 | 278 | 174 | Barclays Bank/P.O. Pen. fund bid. |
| McNeill Group | 45 | -13 | 59 | 38 | Dividend omission and loss |
| Messina | 89 | - 9 | 100 | 70 | Weakness of copper price |
| Pork Farms | 683 | +40 | 683 | 393 | No Mon. Com. reference |
| Sabina Inds. | 84 | +35 | 90 | 30 | Speculative buying |
| Staveley Inds. | 282 | +37 | 288 | 214 | Better than expected results |
| Sunget Best | 220 | +12 | 220 | 134 | Return to dividend list... |
| Swire Properties | 66 | + 9 | 66 | 31½ | Berkeley Hambro disposes of stake |
| Triplex Foundries | 89 | +11 | 89 | 72 | Better than expected results |
| Vlakfontein | 54 | - 6 | 62 | 37 | Passing of interim div. |
| Westland Aircraft | 35 | -11½ | 52 | 30 | Depressing interim report |

A NEW UNIT TRUST FROM CRESCENT CRESCENT TOKYO FUND

EVERY PORTFOLIO SHOULD HAVE A STAKE IN JAPAN

- Over the last fifteen years Japan has had the fastest rate of growth of the major industrialised countries. This trend is expected to continue.
- Of the major industrialised countries, Japan invests the highest proportion of its Gross National Product in plant and equipment.
- Japan is politically stable, with industry and government co-operating to an extent unknown in the West.
- The Japanese people are highly educated, hard working and financially conservative.
- Inflation and interest rates are low and the currency is strong.
- In terms of market capitalisation, Tokyo is the second largest stock market in the world.

Crescent's investment managers have extensive experience of investing in Japan and are acknowledged to be among the leading groups in the United Kingdom in this field.

The Fund's objective is long term capital appreciation. Investment policy will be to concentrate on the major growth companies in Japan. Initial investment will be made by purchasing investment currency, but it is intended that Crescent Tokyo Fund will also utilise foreign currency borrowing facilities. The estimated gross starting yield is £0.5% p.a.

Please remember that an investment in a unit trust should be regarded as long term. The price of units and the income from them may go down as well as up.

ADDITIONAL INFORMATION

Applications and cheques will be acknowledged and certificates will be sent to you within 28 days of the close of the offer. Units may be bought and sold on any normal working day. Payment for units sold will be made within 10 working days of receipt of your renounced certificate. Unit prices and yield will be published daily in most leading newspapers. Commission of 1¼% will be paid to recognised agents. An initial charge of 5% is included in the offer price. A half-yearly charge of 3/16 of 1% (plus V.A.T.) for Managers' and Trustees' expenses is deducted from the trust's assets. An annual distribution of net income will be made on 15th October. The first distribution will be on 15th October 1979.

The trust is a "wider range" investment authorised by the Secretary of State for Trade.

Trustees: The Royal Bank of Scotland Limited, Managers: Crescent Unit Trust Managers Limited (A member of the Unit Trust Association).

I/We declare that I am/we are not resident outside the U.K. or other Scheduled Territories nor acquiring the units as the nominee(s) of any person(s) resident outside these Territories.

Signature(s): (If there are joint applicants each must sign and attach names and addresses separately.) Date: This offer is not available to Republic of Ireland residents. If you would like distributions of income to be reinvested please tick here. ☐

CRESCENT TOKYO FUND

Initial Offer price 25 pence (closes June 30th 1978 or earlier at Managers' discretion). FT 1/1

Important news for Capital Investors.

Now, the Britannia Building Society and Royal Insurance Company come together to bring you the double benefits of a high-return investment plan with the added security of substantial life assurance cover.

The Britannia 'Double Investment' Plan.

This plan, which is open to investors between the ages of 20 and 55 next birthday, with a minimum investment capital of £1,200, (maximum £15,000—£30,000 for joint accounts) combines the advantages of a Britannia Investment Account with those of a Royal Insurance 'with-profits' Endowment Assurance. The plan is for a 10 year investment term, with the Endowment Assurance premiums being met from the lump sum deposited with the Britannia.

On maturity this plan will yield:

(i) The sum remaining in the special investment account after payment of the Endowment Assurance premiums. (ii) A maturity bonus of £3 per £100 invested. (iii) The sum assured under the Endowment Assurance plus bonuses accrued.

Example based on matured plan for a male life aged 35 years next birthday (Original Investment £6,000).

| | £ |
|--|--------|
| From the Britannia | |
| Amount remaining in building society account | 2,397 |
| Maturity bonus | 180 |
| From the Royal | |
| Guaranteed sum assured | 5,378 |
| Estimated bonuses | 3,001 |
| Estimated Total | 10,956 |

The above is an estimate only. The actual amount received on maturity will depend on the performance of the investments and the bonuses will be determined by the Royal Insurance Company.

Tax Liability.

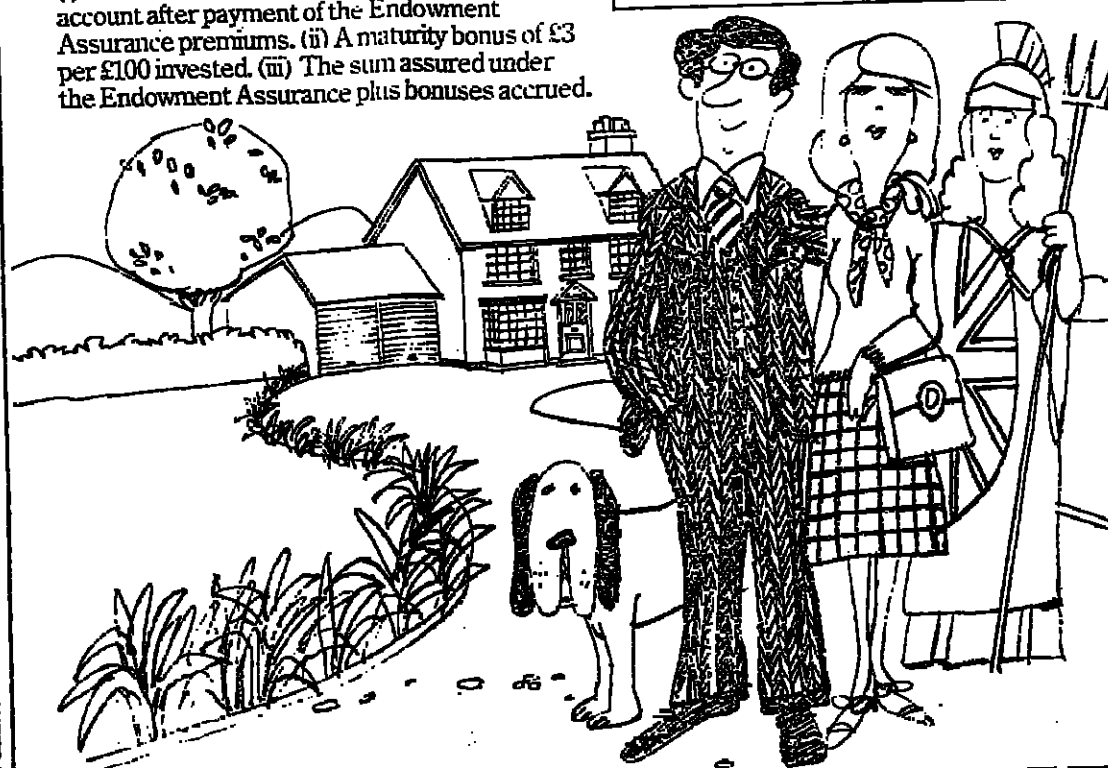
Under current legislation, all benefits resulting from the plan, either on maturity or in the event of earlier death, will be free from both income tax and capital gains tax liability.

Special Options.

Under the provisions contained within the plan you may, if desired, effect subsequent policies without evidence of health for the purpose of:

- Mortgage repayment by the Endowment Assurance method.
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For further information, contact your local Britannia branch office. Or return the coupon.



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Building Society
Always there to help.

Please send me more information on the Britannia 'Double Investment' Plan

Name _____
Address _____

Please post to: Britannia Building Society, Dept. D.L., Leek Head Office, P.O. Box 20, Newton House, Leek, Staffs ST13 5RG.

FT 2

FINANCE AND THE FAMILY

No automatic right to tenancy

BY OUR LEGAL STAFF

My wife by her will has left all her property to her two sons by a previous marriage. This includes the family home, on which I pay the rates. Would I have a right as tenant of the house if she were to die?

You do not appear to have a tenancy and would be unprotected if your wife were to die. Unless your wife provides in her will for you to be allowed to reside in the property during your life you will not be able to remain in the house after your wife's death. An alternative would be to grant you a tenancy now, but that is no better than a right to remain in residence granted by the will, and has an air of officialdom about it.

VAT and Sports Club

In connection with our local sports club corporation tax is paid at 42 per cent on the net takings. VAT is paid on certain repairs, last year amounting to £200. We are not registered for VAT. Can we obtain repayment?

Not an exempt trader bears VAT like a private householder.

If the club eventually becomes registered for VAT (compulsorily or voluntarily) it will, of course, have to account for VAT on the gross caravan rents etc., subject to credit for VAT suffered on expenditure.

Meanwhile, the VAT suffered on relevant repairs etc. is deductible for corporation tax purposes. In the same way as the basic charges on which the VAT was levied. So the taxman ultimately bears 42 per cent of the 8 per cent cut taken by the taxman!

Income Tax and age allowance

In February 1974 I purchased an Income Bond which matures in February 1979. I am aware that the Chargeable Event will be subject to Investment Income Surcharge and in my case, top slicing will apply.

The Chargeable Event is free of Standard Rate tax, but when I inquired at the local tax office, I was given the impression that it will be added to income when calculating the age allowance limit of £4,000. Is this correct? If so, two-thirds of the full

amount will then reduce my age allowance of £2,075 to £1,535, which in effect means that I will be paying standard rate tax on £540. Furthermore, if it is to be added, can I request top slicing, which in my case would be to advantage?

Also could you say whether the tax free National Savings Bank Interest of £140 applicable to a joint account of husband and wife is added in the calculation of the age allowance limit of £4,000?

The gain arising on the Chargeable Event will indeed result in clawback of your age allowance, and unfortunately the clawback is not mitigated by top-slicing relief. Investment income surcharge (and higher rate tax) can be reduced by top slicing, but age allowance clawback cannot.

This point was explained in a reply published in the Finance and the Family column on June 25 last year, under the heading "Age relief limits". Following the publication of that reply, one of the MPs on the Finance Bill Standing Committee took up the point with the Financial Secretary to the Treasury, but his response indicated that clawback of age allowance in situations like yours is deliberate government policy.

We are pleased to say that exempt NSB interest does not affect age allowance.

If you are interested you will find the relevant legislation in sections 8(1B), 399(1), 400 and 414 of the Income and Corporation Taxes Act 1970 (as amended).

Interference with good

Owing to illness I was unable to remove some of my possessions from a house of which I was a tenant. The new tenant refuses to allow me in to get them, and says he can throw them away if he wishes. What can I do?

You are entitled to recover your chattels and may, if necessary, sue the occupier of the house

for them or their value on the new ground of interference with goods.

Forcing a settlement

On the death of my wife intestate in 1976 I put the winding up of her estate into the hands of a solicitor. On the grounds that the accountant engaged by the solicitor says that my son's business owes the estate some £2,000, which he denies, as do my daughters, if the solicitor still retains more than half the property in the estate can I force him to settle?

We think it would be wise for you to consult another solicitor. If you are the administrator of your wife's estate, as seems most likely, you would be entitled to resolve any disputed claims between yourself and the remaining beneficiaries; and to that end can withdraw instructions (and papers) from your present solicitor.

Right to gather a crop

For some years a number of us have been using a piece of land at the back of the local pub as allotments. No charge has been made and now a new tenant of the pub wants the land for home-grown produce and we have been given five weeks' notice to quit. As we have crops planted which will not mature until late in the summer, this is very unsatisfactory. Have we any legal right to stay on?

It seems that you have no legal right to stay on the land until autumn. However by invoking the old law relating to "emblements" you may be able to claim a right to re-enter on the land and gather your crop at the appropriate time on the footing that the crop belongs to you.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

'Ware covenants

Irrespective of the identity of the owners for the time being, it is therefore a restriction which does not become extinguished simply by the passage of time so that, in the event of a dispute, it is open for the courts to enforce a restrictive covenant.

Of course, time changes many things and whatever laymen may think, judges do recognise

INSURANCE

JOHN PHILIP

that in 1978 there may be good reasons for allowing an 80-year-old covenant to be breached. Legal precedents show that they may do this for example, if the nature of the locality has changed: if several plots of land were once covenanted to be used only for private residences, and are now totally surrounded by commercial and industrial premises and there is a dispute between the respective freeholders the courts will now probably rule that the covenants no longer are in force, allowing those houses to be converted even to cafes and betting shops, if the current owners so plan.

None the less, approaching the problem legally it is always open to the parties concerned to apply to the Lands Tribunal to modify or to completely discharge a

covenant. The Lands Tribunal has power under the Law of Property Acts, 1925 and 1969, and normally these powers are exercised very much on the same principles as are applied by the judges in disputes bearing in mind the age of the covenant and the changes of the locality and so on. But for one reason or another, this machinery is not frequently used.

Where a restrictive covenant applies, no one should contemplate the use of the property contrary to covenant, nor should anyone buy a property constructed in breach of covenant without getting the position legally clear or having the protection of insurance. In practice, the developer of restricted land should consider the cost of the insurance alternative among his overheads for it is he, not the likely purchaser, who should take out the insurance at the time of the development.

Once bought, the insurance operates for the benefit of all the would-be purchasers and their successors in title. Protection is provided against claims for breach of covenant by anyone entitled to claim for breaches, and damages.

This cover is open-ended as far as time is concerned and there is no renewal and exceptionally insurers do have to handle claims made 20 or 30 years after the cover has been taken out.

Here, as with most other insurances, inflation poses a problem because insurers normally fix a financial limit of liability for the whole cover and then, if it is to run for the benefit of a number of purchasers, perhaps with individual per capita limits. So even if the developer arranges his cover with financial limits, say double these reasonably required in the current year, the head-room that he obtains can be eliminated by a few years of double figure inflation.

So the occupier of any property developed in breach of covenant should from time to time have a look at the protection he has and consider whether it is worth topping-up the financial limit. At that stage, of course, it is his own financial responsibility, and not that of the original developer, though it may be possible for him to go back to the developer's insurers for the extra cover rather than to start afresh. Moreover, when such an occupier comes to sell his turn, he may well be faced with a request from his then purchaser to provide adequate insurance.

Restrictive covenant problems and their insurance should be meat and drink to the majority of solicitors in general practice and restrictive covenant insurance is best arranged with the advice of the solicitor one has instructed to deal with the purchase of the property. Premiums, which are payable once and for all at the time of purchase of cover, are very variable and for the best cover may start at 50p per cent.

Putting off the evil day

WITHIN THE next month, we can expect the Inland Revenue to send out to taxpayers the greater part of the assessments which need to be made on dividend and interest income. It may be appropriate therefore to consider some of the matters to be borne in mind in dealing with these assessments.

The law requires that assessments be sent to the taxpayer. Those taxpayers who employ accountants or other agents to look after their affairs might wish that the assessment could be sent direct to the agent, in view of the need for prompt action. The Inspector of Taxes cannot do this, but it is a simple matter to arrange that he sends a copy of the assessment direct to the agent.

Dividends from UK companies are received in effect, net after deduction of tax at a rate equal to the basic rate of income tax. To the extent that the recipient is liable for the higher rates of tax, and for the investment income surcharge, this further amount of tax must be collected by an assessment.

If the amount of income so assessed, or if the rates charged, are wrong then it is necessary within 30 days to "appeal". This being the only way in which the position can be kept open while the figures can be agreed. An appeal is the self-same first step which is open to a taxpayer who wishes to dispute an assessment as having been made on something which is not taxable income, or

as being excessive. The appeal body, the General Commissioners of Income Tax, will not be unmindful of the similar to a bench of lay magistrates. Their decisions are final on questions of fact—the quantum of income for instance. On matters of law, whether that income is assessable, it is

possible to appeal to the High Court against their findings.

Clearly, in most cases the appeal made against an assessment on dividend income is not intended by taxpayer or Inspector to be brought to a hearing in front of the Commissioners. It is, as already mentioned, the only device available to a taxpayer to keep open an excessive income tax. To the extent that the assessment until the correct figures can be agreed. It is as well, however, to bear in mind that the Inspector of Taxes can set down an appeal for hearing, and that he will do so if he gets the impression that the taxpayer is using the appeal as no more than a delaying tactic.

Two sorts of delay will be in the Inspector's mind: one is delay in payment of tax. The other, whose effect as an irritant to the Inspector is frequently underestimated by taxpayers, is delay in submitting tax returns to enable assessable figures to be agreed. It needs to be recognised that higher authorities in the Revenue in

judging the efficiency or otherwise of a particular Inspector, will not be unmindful of the numbers of returns outstanding in his district, the numbers of undetermined appeals and the volumes of unanswered correspondence. More rationally, Inspectors point out that extracting a taxpayer's return from him, perhaps as his reaction to a dividend assessment, is probably the only way in which to discover whether a capital gains assessment is called for.

Coming back to the extent to which appealing against an assessment enables a taxpayer to stave off the evil day on which he must reach for his chequebook, the law was materially altered in 1976. If a taxpayer appeals against an excessive assessment, he may also apply formally for the amount of the tax charged which he considers excessive to be "postponed", pending agreement of his appeal against the assessment.

The Inspector has the same right to take an application for postponement in front of the Commissioners for personal interest on tax paid late. If hearing, if he thinks that it has an assessment charged £500 tax, been made only to delay payment. Assuming, however, that the Inspector assents, he writes to the taxpayer signifying this, by the end of the calendar year, and the "non-postponed" tax no part of the £100 would therefore be due and payable 30 days after the date of his letter.

Tax on dividend assessments is technically due on July 1 following the end of the fiscal year, or 30 days after the assessment if this is later. It is 9 per cent and is not deductible.

Victims of the Nazis

Referring to your reply of April 9, 1977, on tax relief for victims of Nazi persecution, my wife, who was imprisoned in Ravensbrück has been awarded a disability pension by the Stichting 1940-1945 of Amsterdam. Could you advise me whether my wife should be considered under para 6.8 or 6.7, Chapter 6, Inland Revenue leaflet 25 on Foreign Pensions? We are sorry to say that your wife's disability pension does not appear to qualify for any UK tax relief beyond the 10 per cent deduction which is available for foreign pensions generally. Relief under section 377 of the Income and Corporation Taxes Act 1970 and under section 22(2) of the Finance Act 1974 is limited to payments made under West German or Austrian law, and we can find no help in the Netherlands-UK double taxation convention, nor

in the published extrastatutory concessions. As the Finance Bill is still in the Committee Stage, the time seems opportune to bring the tax position of your wife (and other victims of Nazi ill-treatment) to the attention of the House of Commons. We suggest, therefore, that you write to your MP and invite him to sound out the Treasury on the prospect of widening the scope of the existing tax reliefs, either by legislation or by concession. The reports of the first three sittings of the Finance Bill Standing Committee (before the recess) give grounds for hope that the Government will introduce amendments at the Report Stage improving certain tax reliefs for the disabled, and so you can be sure that your MP's approach will receive sympathetic consideration by the Chancellor, and his colleagues.

Canada's new uranium area

WHILE WORLD demand for uranium continues to ride high, the big Australian deposits of the material still have to reach the production stage, a new major uranium province is taking shape. It is in northern Saskatchewan. Last year, spending on exploration and development there rose about £840m (£19.5m).

Since 1968, when Gulf Minerals discovered the Rabbit Lake mine, the total of new finds in the area exceeds 10,000 short tons of uranium oxide. Although this is less than the total of the Australian discoveries it is still of major importance and the Canadian figure is likely to be considerably exceeded as further exploration work progresses.

MINING

KENNETH MARSTON

The province is believed to hold some 30 per cent of Canada's known uranium reserves and not only are the deposits of good grade ore but also they contain useful amounts of other minerals such as nickel, gold, copper, silver and cobalt. Gulf Minerals is associated with Marathon Oil and Uranium Exploration and Mining in four ore deposits at Rabbit Lake.

Of these, the Rabbit Lake mine was brought to production in 1975. Many other potential mines in the big area await the coalhead, notably the Key Lake finds of Uranium and Inverex Oil, which are still being evaluated, and the Cluff Lake discoveries of the French Amok consortium. The CSIRO (Cluff Lake) development has been hanging fire because of environmental objections and concern felt about the safety aspect of uranium mining. This week, however, a public inquiry into the matter headed by Mr. Justice Rayda has recommended the development in a 1,050 page report.

It is thus believed that not only Cluff Lake but also all the other important uranium finds in the area will be permitted to go ahead subject to strict environmental and worker safety conditions. The news must provide food for thought for the potential Australian miners who are still waiting to go ahead.

Mr. Alan Blakeney, the

premier of Saskatchewan anticipates a rich harvest of royalties from this major new industry. He reckons that it will take about four or five years before there is any substantial increase in royalty revenues from uranium mining, but over the next 13 years total income could soar into the region of C\$1.5bn (£762m) to C\$3bn. It is all very exciting, but it remains to be seen whether the environmentalists have been finally defeated.

Of other transatlantic news this week, America's Amex minerals group is expecting a second quarter recovery after having been hit by the U.S. coal miners' strike in the previous three months. Over the full year the chairman, Mr. Pierre Gousseland looks for higher coal output by his group than in 1977 together with continued strong markets for molybdenum, oil and gas.

Speaking on the occasion of the group's listing in Frankfurt this week — Amex now has seven listings on European stock exchanges — he also waxed optimistic on the future for tungsten. Amex, he said, is "if not the first, the second largest producer of tungsten in the free world."

Meanwhile, the group is raising its stake in Canada Tungsten from 2.43m shares, or 48.6 per cent, via an offer of C\$19 per share for a further 800,000 shares. But Dome Mines, which holds 1m shares, is not prepared to part with any of them.

Amex claims to hold the Western world's largest deposit of tungsten, situated in the Polar Circle. This has been kept "on ice" as it were, because of U.S. stockpile releases of the metal, but the stocks are being slowly reduced and Amex might start work on the Polar deposit "in a year or so."

The group's huge capital spending should ease over the next few years—it will still total an awesome \$260m over the next five or six years—and it is expected that pre-tax earnings will accelerate. Shareholders, which include London's Selection Trust with a stake of 8.3 per cent, may thus hope for a more stimulating dividend policy than has obtained in recent years.

Among other news this week, the sharemarket uranium fever in Anglo United Development has cooled following a statement on the Northgate group company's prospecting in County Donegal. Four prospecting

licences covering 72 square miles have been issued to the Irish subsidiary. But "a considerable amount of time will be required to thoroughly evaluate the economic significance of the radioactive zones." The best South African gold dividend this week has been an above-expected final of 250 cents (157.5p) from West Driefontein which makes a 1977-78 total of 385 cents against 280 cents. Disappointing has been the East Driefontein interim of 40 cents which goes against 35 cents last time and the subsequent final of 43 cents.

● Malaysia's Sungai Besi has

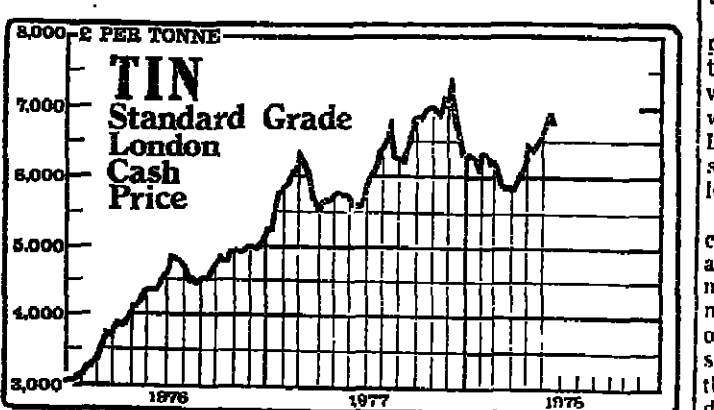
returned to the dividend list with a payment of 39 cents (8.9p) after Malaysian tax but before UK income tax. The tin producer expects to maintain its higher production in the current year to March 31.

● Australia's North Broken Hill has denied that it intends to make a take-over bid for BHP South in which a 16 per cent stake is held. Sharemarket pundits are torn between views that the Gold Fields group is a likely predator or whether the latter is more interested in acquiring the balance of its 53 per cent-owned Renison tin mine in Tasmania.

TIN OUTPUTS COMPARED

| | May, 1978 | April, 1978 | Total to date (months) | Same period previous year |
|------------------------------|-----------|-------------|------------------------|---------------------------|
| Amal. of Nigeria (tin) | 4 | 4 | 2,020 (12) | 2,517 |
| Amal. of Nigeria (columbite) | 1 | 1 | 217 (12) | 174 |
| Aokam | 11 | 14 | 1,436 (11) | 1,773 |
| Ayer Hitam | 229 | 175 | 1,636 (11) | 4,532 |
| Berjuntai | 340 | 336 | 540 (11) | 385 |
| Bisichi Jantar (tin) | 4 | 4 | 742 (12) | 79 |
| Bisichi Jantar (columbite) | 4 | 4 | 761 (12) | 80 |
| CBM Sri Triman | 4 | 4 | 201 (12) | 813 |
| Ex Lands Nigeria | 24 | 28 | 132 (12) | 132 |
| Grevor | 100 | 88 | 194 (12) | 185 |
| Gold and Base (tin) | 6 | 27 | 100 (12) | 106 |
| Gold and Base (columbite) | 1 | 1 | 1 (12) | 2 |
| Gopeng | 179 | 125 | 1,122 (12) | 1,260 |
| Idris | 18 | 11 | 84 (12) | 137 |
| Kamunting | 23 | 21 | 60 (12) | 84 |
| Kent (FMS) | 4 | 4 | 102 (11) | 434 |
| Killinghall | 42 | 47 | 146 (12) | 499 |
| Kinta Kelas | 4 | 4 | 300 (12) | 638 |
| Kuala Kampar | 21 | 19 | 42 (12) | 60 |
| Lower Perak | 21 | 29 | 31 (12) | 26 |
| Malayan | 187 | 181 | 2,540 (11) | 3,923 |
| Pahang | 142 | 122 | 1,163 (12) | 1,092 |
| Pengkalan | 9 | 7 | 69 (12) | 120 |
| Petaling | 179 | 122 | 823 (12) | 617 |
| Rahman | 39 | 103 | 860 (11) | 386 |
| St. Piran East | 19 | 19 | 28 (12) | 45 |
| St. Piran UK (South Croft) | 219 | 170 | 350 (12) | 369 |
| St. Piran-Thailand | 81 | 81 | 162 (12) | 197 |
| Southern Kinta | 151 | 156 | 287 (12) | 309 |
| Southern Malayan | 131 | 130 | 1,843 (11) | 1,991 |
| Sungei Besi | 147 | 118 | 265 (12) | 286 |
| Tanjong | 11 | 18 | 87 (12) | 94 |
| Tongkah Harbour | 29 | 21 | 393 (11) | 553 |
| Tromoh | 220 | 208 | 1,842 (12) | 897 |
| Utd. Tin of Nigeria (tin) | 4 | 4 | 12 (12) | 29 |

Figures include low-grade material. Not yet retorted. Outputs are shown in metric tonnes of tin concentrates.



The Amahs make the pace as things begin to hum

HONG KONG, June 16.

BY regional and international financial press screeches standards, the stockmarket here is well into a boom with the Hang Seng index standing some 140 points or about 35 per cent above its end-1977 level, and with local and foreign funds pouring into the market.

The word "boom" has a special connotation in the Hong Kong market, however, conjuring up memories—painful for many of 1973 when the Hang Seng index reached dizzy and unsupportable heights of well over three times its current level of 545 and then collapsed. Many of those who got their fingers badly burned then were small investors — "Amahs" Chinese servants and taxi drivers among others as well as London and other foreign institutions who were late getting in on the boom and late to recognise the bust.

Even so, the Amahs are reportedly trooping back into the stockbrokers' offices again with "baskets of cash" to invest in the market and the London and Continental institutions are showing hardly less reticence.

At Ice House Street in the central business district here a publicly displayed stockmarket index board is beginning to attract daily huddles of individuals again anxiously scanning the board to see what average growth rate of approach their hot-favourite counter is ing one-fifth, and up to 25 per cent for some of the blue chip

stocks. Average historic price-earnings ratios of about 15 look on the high side, but the prospective earnings multiple is less demanding and average equity yields of around 4 per cent are attractive by savings and time deposit rates in Hong Kong.

On the basis of this scenario, share prices here still have a fair amount of solid, upside potential, analysts argue. Investors appear to agree although some observers quietly wonder why other South East Asian regional stockmarkets such as Singapore and Kuala Lumpur, where growth rates, balance of payments, reserves and inflation levels also look healthy are losing the limelight to Hong Kong.

With daily turnover on the four Stock Exchanges here averaging between HK\$200m-HK\$250m—of which the Far East Exchange enjoys about 45 per cent—that is still only a fraction of the several billion dollars a day level reached in 1973. Even so, it is around 20 times the level of a year ago. Much of the local money has spilled over from the now "stagnant" residential property market where speculators who bought and sold developments made handsome profits which are not now being re-invested in the stock market. Following their past patterns, the money first began to inflate the prices of

blue-chips such as Hongkong Land, Hong Kong and Shanghai Bank, Jardine, Matheson, etc. Group, Wheelock Marten, etc. and then to benefit the prices of second and third line stocks. Another ingredient lacking for a repetition of 1973 (apart from a runaway money supply) is the glut of new issues—particularly of property and shipping stocks brokers would like to see new issues to broaden the base of the market, but listing requirements are (nationally) tougher now than they were five years ago. A spate of rights issues could be on the cards, however.

London jobbers have reportedly been caught short of Hong Kong stocks in the past few days after waiting for a market reaction which did not occur and which is not expected to immediately. Analysts say that foreign institutions have more sophisticated investment advice available here than they did five years ago, through the offices of UK brokers such as W. I. Carr, Vickers, de Costa, Sebag, Gazezovic, etc., as well as leading local securities houses like Sun Hung Kai, Japanese investment houses have also become increasingly active here. Whether prudence will prevail among these any more in the stock market. Following their past patterns, the money first began to inflate the prices of

YOUR SAVINGS AND INVESTMENTS

An education tax



AS PARENTS, you have an inalienable right to educate your children in the best possible manner and to spend money to achieve this. You may laugh, but this principle was given some support under Section 375 of the Income and Corporation Taxes Act 1970, which exempts scholarships from tax, and Section 45 of the Finance Act 1975, which exempts normal expenditure on education from Capital Transfer Tax.

But if you are a higher-paid employee, this expenditure has to come from your after-tax income, or from your hard-

FRINGE BENEFITS

ERIC SHORT

earned savings according to the latest move from the Inland Revenue. If relatives try to help out, they could be subject to CTF, and now if your employer helps out, you could face a tax liability on such payments.

This week the Inland Revenue announced that, as from Wednesday June 14, all scholarships awarded in the

future by employers to assist in the education of children of employees would be subject to tax as benefits in kind under Section 61 of the Finance Act 1976. The Budget of that year was effectively a declaration of war against the use of fringe benefits and that particular Section supplied the ammunition to the Revenue. And many fringe benefit payments have come under attack.

But up to now the Revenue has refrained from taking action on scholarships provided by employers, on the grounds that Section 375 mentioned above stopped them. The past two years has seen a proliferation of educational trusts set up by employers. Many insurance brokers dealing in employee benefit provision have been instrumental in designing and administering such trusts. They claim to have taken Counsel's opinion before setting up such trusts.

In most cases these trusts have been available to children of all employees and certain educational standards have to be reached before any award is made. But naturally, it is the higher-paid employee who has tended to apply.

Opinion with the tax account-

tant is that almost certainly this decision will be tested in the Courts. But even so, does this action of the Revenue herald the ultimate demise of such assistance by employers? This is by no means certain; the ingenuity of the tax planners can usually find a way round moves of this kind.

The taxation of benefits in kind is complex, like most tax legislation, but the Revenue divides the population in two groups—directors and higher-paid and others. The higher-paid, by Revenue definition, are those earning £7,500 or more a year and this limit is revised periodically. The former class have fringe benefits taxed on the cost to the employer, others are taxed on their resalable value. Thus this move by the Revenue means that the higher-paid will pay tax on the amount of the scholarship award, whereas the lower paid will not be affected, since it has no value on the market.

It must be remembered that the £7,500 limit includes the value of all fringe benefits besides your earnings. Since fees are nudging £2,000 a year, the award of a scholarship could put you into the category of higher-paid. Where both husband and wife can apply for a scholarship with their respective employers, it may well be profitable for the wife to apply if she is earning less, and opt for separate assessment. But this Revenue decision could be challenged in the Courts so this may not be the final word on the subject.

Public stay away

MERCHANT BANKS, institutions and private clients have shown some interest in the eight-week-old London traded options market, but the bulk of the business is between the professionals—the jobbers, the market makers and brokers exercising a discretionary control over their private clients' portfolios.

Brokers close to the market claim that it is still rare for a private client to initiate an options transaction, either writing or buying. The bulk of

In general the private investors write between three and seven options in one or two of the underlying stocks they hold and rarely commit more than 70 per cent of their holding.

Institutions have shown interest in buying options although private client buying and in-house buying by brokers dominates. There has been little interest in secondary market buying and selling.

The main stumbling blocks are the tax problem; a difficulty getting bank guarantees by writers who wish to be "uncovered" but who don't wish to put up the required cash collateral, and a lack of liquidity.

The lack of liquidity is the greatest problem. Last Thursday a buying order for 60 Shell July 550 was placed. By midday only 20 had been bought. When the market first opened it took three days to clear a buying order for 40 contracts.

The initiators of the London options market are happy with their dealing. They will continue to seek to have the tax position altered and they will encourage the clearers to issue guarantees. But they still have to boost liquidity. It will need an education programme or a reasonably sustained upwards movement in the underlying sharemarket. There is no spur like speculative profits to bring new people into a new market.

OPTION MARKET

TERRY OGG

the private client money comes from either private client portfolios over which brokers exercise some discretionary control or as a result of transactions executed on a broker's recommendation.

Market makers are still the leading writers of options although there has been some tentative interest shown by private clients. Institutions and merchant banks have been conspicuous by their absence. The individual investors writing options tend to have medium-sized portfolios with a market value in excess of £75,000 and a holding in three to five of the underlying stocks.

HIGH INCOME funds are often considered the bread and butter of the unit trust industry.

This implies that they may not be very exciting and yet, given the wide spread of equities and often significant preference share base, they are usually a sound investment. Reflecting this and the current demand for such funds—second only to the rush for North America—Gartmore has just launched an Extra Income Trust with an estimated gross starting yield of 9½ per cent. Inflation is now well below 10 per cent, and according to the Government set to stay there until the end of the year. So the sort of returns you can now get from investing your capital for income look impressive compared with the increase in living costs.

What, though, are the specific advantages of a high income fund? First, your investment will give you a regular return which, depending on the fund manager's skill and the state of the stock market, should increase with time. Dividends from most high income funds have risen in the last year in terms of income per unit.

Arbuthnot's Extra Income and Preference funds are notable exceptions but, according to the group, rapid expansion at the end of last year made it difficult to get the cash into the market. Income rises of course, not only because of increased dividends from the shares in a portfolio and a higher yield but because the underlying value of the units improve. Capital growth then is a sometimes for-

Enticing income

gotten benefit of high income funds. In this respect the last year has been extremely good for these funds which often invest in good second line companies, many of which have

UNIT TRUSTS

TIMOTHY DICKSON

done better than "blue chips" in the prevailing economic climate. Many high income funds are geared up with a certain steady percentage of preference shares, which will get a tax credit for the old rate of 17 per cent which can be used to offset part of that liability.

If you already hold units, incidentally, there is one reason why you might consider selling this year. Since April 1, 1977 (retrospectively from April this year) unit trusts have been paying a concessionary capital gains tax rate of 10 per cent. But up to March 31, 1978, unit holders percentage of preference shares, will get a tax credit for the old rate of 17 per cent which can be used to offset part of that liability.

advantage at the outset, but in a rising market they will drag down the underlying value of your units.

Income funds are a particularly good investment for the low or nil taxpayer. Dividends are always paid net, but they will be accompanied by a tax credit assessed at the standard rate. If you pay tax below this rate, or you don't pay any tax at all, you can reclaim the money from the Inland Revenue. If you pay at a higher rate, the credits can be used to offset part of that liability.

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ENTICING INCOME

| FUND | OFFER PRICE (pence) | 14/6/77 | 14/6/78 | % change | YIELD 14/6/78 |
|-----------------------------|------------------------|---------|---------|----------|------------------|
| Allied Hambro High Yield | 57.1 | 74.9 | 31.0 | 7.9 | |
| Arbuthnot Preference Fund | 26.1 | 27.3 | 4.5 | 12.1 | |
| Extra Income | 101.5 | 112.8 | 11.0 | 11.3 | |
| High Income | 38.2 | 44.0 | 15.0 | 9.1 | |
| Barclays Unicorn Extra Inc. | 25.2 | 30.5 | 21.0 | 8.3 | |
| Britannia Extra Income | 34.2 | 42.5 | 24.3 | 9.3 | |
| Chieftain High Income | 37.0 | 44.2 | 19.5 | 9.3 | |
| Lawson High Yield | 46.2 | 51.8 | 12.0 | 11.0 | |
| M. and G. High Income | 83.7 | 107.5 | 28.0 | 8.4 | |
| S. and P. Income | 40.2 | 45.4 | 13.0 | 8.8 | |

First offer of Gartmore Extra Income Units

Limited to 10,000,000 units

9 1/4%

Estimated Gross Starting Yield

Here is a new unit trust from Gartmore with an estimated gross commencing yield of 9 1/4%. This compares favourably with many other forms of pure equity investment.

Gartmore propose to achieve this by carefully choosing a portfolio of ordinary shares in small, sound UK companies with above-average yields. With professional day-to-day management, this strategy gives investors a high level of income together with good prospects of long-term capital growth.

Because such shares cannot be bought in unlimited numbers, Gartmore will be restricting the number of units under this particular offer to 10 million.

A team with an outstanding record

The management of the new trust is to be undertaken by the same team that has been managing the successful Gartmore High Income Trust since its launch. You can read about High Income Trust's outstanding record under the 'Quarterly Income Plan' section.

The protection of a wide spread

Gartmore Extra Income Trust will be invested in about 100 different securities so that your money is widely spread. This factor is especially important in a high yielding unit trust which includes second line shares.

With this in mind the Managers do not intend to invest more than 2% of the overall portfolio in any one company.

You should remember that the price of units and the income from them can go down as well as up.

You should regard your investment as long-term.

The offer

This offer at 25p per unit will close when 10 million units have been allocated to investors, or on 8th July, 1978, whichever is the earlier. Should the offer close early, a notice will be published in the Financial Times and all unsuccessful applicants will be notified.

After the close of this offer, units will be available at the daily offered price.

To apply, simply fill in the relevant coupon and send it to Gartmore Fund Managers with your cheque. The minimum investment is £200.

The New Gartmore Quarterly Income Plan

If you want a high regular income, Gartmore can now offer you the Quarterly Income Plan. Under this plan your investment is shared between the new Gartmore Extra Income Trust and Gartmore High Income Trust. Both of these unit trusts pay income half-yearly, but on dates 3 months apart. This results in quarterly income distributions on 15th March, 15th June, 15th September and 15th December. So you get your income when you need it to pay your bills—quarterly.

What would you receive?

On 15th June, 1978 the offer price of Gartmore High Income Units was 63.3p to give an estimated gross yield of 8.45% p.a.

On this basis, assuming you invested your money equally between both trusts, you would receive an average estimated income (in quarterly instalments) of 8.85% p.a. This will naturally vary slightly from quarter to quarter.

Gartmore High Income Trust is invested mainly in high-yielding equities in a wide range of industries and some fixed-interest investments.

Investors who purchased units in this trust when it was launched in March 1975, have seen the offer

price of units increase by 131.0% compared with a rise in the Financial Times Industrial Ordinary Share Index over the same period of 72.2%. In addition, they have received a steadily growing level of income payments which now total £48.35 gross per £100 invested at the launch.

To invest in the Quarterly Income Plan, please complete the coupon below and send it with your cheque. The minimum investment in each trust is £200, so you need only £400 to take advantage of the Quarterly Income Plan. Your first income payment will be made on 15th September.

All applications will be acknowledged and certificates will be forwarded by the Registrars before 21st July, 1978.

You can sell your units back to the Managers at not less than the minimum bid price on any dealing day. You will receive a cheque within seven days of the Managers receiving your renounced certificate.

Gartmore Extra Income Trust is constituted and administered by a Trust Deed dated June 1978.

Income will be distributed on 15th June and 15th December each year. Gartmore High Income Trust is constituted and administered by a Trust Deed dated 30th October 1973.

Income is distributed on 15th March and 15th September each year. Distributions on both trusts are paid after deduction of income tax at the basic rate. Income tax can be reclaimed from the Inland Revenue if you are entitled to do so.

Both trusts have an initial management charge of 5%, which is included in the price of units. Out of this the Managers will pay commission of 1% to authorised agents. There is an annual charge of 3% of the net value of the fund which is deducted from income, and which is already allowed for in the estimated current gross yield.

The Trustees of both trusts are Gartmore Fund Managers Limited, 2 St. Mary Axe, London EC3A 8BP. Telephone 01-283 3534.

Directors: D.B.D. Dickson (Chairman), W. Campbell Allan C.A., A.M. Armitage, A.J.R. Collins, S. Stevenson Jnr. C.A., J.A. Thomson C.A.

This offer is not available to residents of the Republic of Ireland.

The Gartmore Credentials

WHAT MAKES GARTMORE SO POPULAR WITH PROFESSIONAL ADVISERS?

More than two-thirds of the money invested in Gartmore unit trusts has come not direct from the public but through stockbrokers, banks, solicitors and other professional advisers. Gartmore Fund Managers have over £30 million under management. They are

highly regarded by professionals because the parent company, Gartmore Investment Ltd., is widely known and respected in the City of London where it is responsible for over £650 million of funds for investment trusts, insurance companies and pension funds.

GARTMORE

APPLICATION FOR Extra Income Units

Fill in the coupon and send it now to: Gartmore Fund Managers Ltd., 2 St. Mary Axe, London EC3A 8BP. Tel: 01-283 3534.

I/we should like to invest £_____ in Gartmore Extra Income Units at the initial offer price of 25p per unit. (Minimum £200. Offer closes on 8th July, 1978 or when fully subscribed.)

I/we enclose a remittance, payable to Gartmore Fund Managers Ltd.

Tick Box:

☐ If you are an existing Gartmore unitholder.

☐ If you want maximum growth by automatic re-investment of net income.

☐ If you would like details of our Share Exchange Service.

I/we declare that I/we are not resident outside the Scheduled Territories and that I/we are not acquiring the units of the fund for the purpose of avoiding the liability to pay tax on the units. (If you are unable to sign this declaration it should be signed and your application lodged through an authorised depositary.)

SURNAME (MR, MRS, MISS)

FIRST NAME(S) IN FULL

ADDRESS

SIGNATURE(S)

APPLICATION FOR Quarterly Income Plan

To: Gartmore Fund Managers Ltd., 2 St. Mary Axe, London EC3A 8BP. Tel: 01-283 3534.

I/we should like to invest £_____ in the Gartmore Quarterly Income Plan at the offer price ruling on the day you receive this application.

I/we enclose a remittance, payable to Gartmore Fund Managers Ltd.

*For your guidance the offer ruling on 15th June, 1978 were: Gartmore Extra Income Units 25p, Gartmore High Income Units 63.3p.

Tick Box:

☐ If you are an existing Gartmore unitholder.

☐ If you would like details of our Share Exchange Service.

I/we declare that I/we are not resident outside the Scheduled Territories and that I/we are not acquiring the units of the fund for the purpose of avoiding the liability to pay tax on the units. (If you are unable to sign this declaration it should be signed and your application lodged through an authorised depositary.)

SURNAME (MR, MRS, MISS)

FIRST NAME(S) IN FULL

ADDRESS

SIGNATURE(S)

Time to change?

YESTERDAY'S announcement of the latest Retail Price Index, showing inflation still well below 10 per cent, comes as welcome news to the economy. So it may seem churlish to point out that the return on the Index-Linked National Savings Certificates Retirement Issue has dropped steadily with the falling rate of inflation and now stands below that obtainable from other forms of investment. Since predictions are that the rate of inflation is not likely to return to double figures this year, it may well be opportune to consider switching investments, at least temporarily.

The benefits paid on these Retirement Certificates are free of all taxes, so switching is only worth while to investors who do not pay tax. But this is certainly the case with many holders of these certificates. The certificates have given a good return up to now 51.6 per

cent to those investors who bought at the outset in June 1973. But investors need to consider the expected returns in the future and here there is a case for switching. The National Savings Bank is paying 8.5 per cent on deposit accounts. A one-year investment in local authorities yields about 9.5 per cent, while more adventurous investors could consider the possibilities of high-income trusts mentioned elsewhere on this page.

If one reads the forecasts, the impression given is that the inflation rate could be rising again next year, so investors thinking of switching need to watch the economic scene quite closely. You need an investment which can be easily realised, and in this respect unit trusts need careful timing. But it is an opportunity to increase the return on your investments.

MOTORING



Long living Jaguar

Age and beauty

BY STUART MARSHALL

CAN IT really be 10 years since the Jaguar XJ6 burst on the motoring scene and became the sensation of the 1968 Motor Show? It sold at less than £1,800 with a 2.8 litre engine and manual transmission; even the 4.2 litre automatic was just under £2,400.

The motoring world has changed beyond recognition since then, but the Jaguar XJ hardly at all from the outside. The 2.8 engine was dropped five years ago. Some interior restyling has brought the Victorian sideboard-type fascia into line with safety requirements, though there is still enough woodgrain to please traditionalists.

Now there are only two six-cylinder Jaguar saloons, the XJ 3.4 and XJ 4.2. You can have them with manual gearbox plus overdrive working only on top gear, or automatic transmission, for the same price—£9,290 for the 3.4 litre, £9,753 for the 4.2, which comes complete with things like leather seats that the smaller-engined car lacks.

How does this 10-year-old car measure up to its price-class rivals from overseas? Really, very well indeed. The ride quality is still quite outstanding. You can pay twice as much money for a car and still not be so effectively insulated from the road surface.

The Jaguar's soft all-independent suspension and Dunlop textile-belted 70 series radials were literally made for one another. Together, they smother the bumps and stifle road noise more effectively than any other car/tyre combination.

I can think of two. Those are the Peugeot 604 and the Renault 20. The Peugeot 604 is a set of Pirelli's miraculously good P8s I tried in Milan a week or two ago. The Pirelli are not yet generally available for the BMW but are likely to be later in the year.

The quiet ride of the Jaguar is not quite matched by its mechanical refinement. Or perhaps it was the silent way it rolled over the road that made me more aware than I might have been of a little gear noise and a soft groan from the overdrive.

If you push the engine up to high speeds in the gears, it begins to sound harsher than one expects of a top executive car. But at a motorway cruise there is absolutely no cause for complaint. The gearbox is notchy and the clutch quite heavy, with a disagreeably long pedal movement. BMW, even the 3.4 litre, £9,753 for the 4.2, does things better. The brakes, though, are splendid.

And the power steering, though fine for twisting effort, less in and out of parking bays, has too much assistance and not enough feel for me.

Inside, the Jaguar still conveys a subtle, almost nostalgic impression of quality that eludes some of its competitors. It feels somehow heavier, and more solid. The windscreen is a bit shallow, by today's standards and I am not sure I liked the black sunrims set into the pale roof lining. The velour upholstery was nice to sit on during the recent hot weather but the ventilation was poor.

Unless you are prepared to have the noisy fan on full blast or to open a window, the XJ 3.4 gets unpleasantly stuffy in town.

Air conditioning (not listed as a factory-fitted option on the 3.4) is, of course, the answer. The £806 system available on the 4.2 is one of the best there is.

Outwardly, the styling is no longer fashionable but the Jaguar still looks graceful and well-balanced, but the long, low tail means that the boot, with a fat tyre under the floor, is shallow.

Petrol consumption can be surprisingly good. Driven gently on a run with overdrive used as much as possible, the Jaguar will approach 30 mpg and the official constant 75 mph consumption is 24.4 mpg. The automatic is 4 mpg thirstier except in town, when its 14.8 mpg compares with the manual car's 13.8. But my choice would always be the automatic. After all, if the firm will stand a near £10,000 car, an extra couple of pounds worth of petrol each week is neither here nor there.

The big question mark that hangs over Jaguars is their reliability. Many business motorists justify a switch to imports by saying that, above all, they must have a completely dependable car. There is, I think, an element of defensiveness here. A decision to purchase a dealer and outwardly less opulent import has to be explained away.

But how reliable is the average Jaguar in a business user's hands? I shall be glad to report readers' experiences, good and bad alike.

Testing the theory and the fact

GOLF IS so much a mental game that the players are being conditioned by what they say, and this is translated into print before the event with ridiculous regularity. Before the 78th U.S. Open Championship began here at Cherry Hills Country Club, most of the notable players said that Arnold Palmer's winning score of 280, four under par, in 1960, when he won his lone U.S. Open title on this golf course, would be devastated. Going into today's second round, only four players have beaten par, and the field is reeling, shell-shocked, at the scores that have been compiled.

Hale Irwin was born less than 50 miles from the golf course. Knew exactly what is required at an altitude of over a mile above sea level—the ball flies an average 7 per cent farther—to put together the exceptionally professional and workmanlike round of 69, one would have expected of him in any first round. The bespectacled U.S. Open Champion of 1974 is such a fierce competitor that no one counts him out of any major event. Yesterday he played conservatively and that was all that was required.

Shortly after mid-day, he was able to say that his score would hold up until the last players came in shortly before 9 o'clock. Irwin knows that when the temperature in these parts soars into the middle 90s, with almost no humidity, a gusty wind will break out in late afternoon. He was not disappointed.

His round gave him a one-stroke lead over an 18-year-old amateur, Bob Clampett, from Carmel, California, a freshman at Brigham Young University, who weighs only 10 stone, and touring professionals Andy North and J. C. Sneed, who are at one under par 70.

Bobby Wadkins, the younger of the two brothers, scored a hole in one on the 208-yard 18th hole on his way to an even par round of 71 which was matched by the twice former winner of the U.S. PGA Championship, Dave Stockton, former Open champion, Billy Casper, Gary Player of S. Africa, seeking his second modern Grand Slam—Al Geiberger, Phil Hancock and Bill Brask. Peter Oosterhuis pulled his same together as he always seems to do for the big occasion to be in a group of six players at one over par 73 which also includes the winner of the last two tournaments, Andy Bean and the ante-post favourite, Lee Trevino, who was forced to play late in the day when the wind was at its freshest, swirling about among the trees, and the greens were baked to a crust as fast as putting on a marble staircase.

The 1975 Open champion, Jerry Pate and Jack Nicklaus are among the group at 73. Tom Watson recovered after an out-and-back half of 40 to be among those at 74, Spain's invitee, Sevi Ballesteros, is among those on 75, as is the Australian Graham Marsh, while the defending champion, Hubert Green, is alongside the great Palmer at 76. These two are by no means out of things, since they are easily in the top half of the players that will be decimated when the axe falls this evening, and only 60 and ties will remain for the final two rounds.

Among those who appear to have too much to do are Tom Weiskopf (77), N. Crenshaw, Johnny Miller and Bob Shearer, who all scored 78. Australia's David Graham's case appears to be hopeless at 79.

The championship was remarkable for many things, apart from the high scores in

weather conditions that were as perfect as anything I have ever seen. This lovely golf course was bathed in the most brilliant sunlight imaginable with the snow-capped peaks of the Rocky Mountains forming a glorious backdrop.

Palmer and Ed Seay had re-designed and lengthened the course since the former won in 1960. Ralph Guldahl was the other winner of the U.S. Open at this club in 1938. Their alterations were not supposed to make any difference to the skilled practitioners of the modern era, but the USGA have done a marvellous job in persuading the home club to fertiliser their rough from monstrous proportions—although totally fair and even—the weather has done the rest in speeding up the greens.

Most of these are they targets if aimed at from the narrow fairways, and not even in range when the players catch the rough, as many of them did yesterday even with long irons from the tee. Most players only used the driver a handful of times. In fact, Ballesteros used his five times and will be choke down to three today—having decided to use the club only at the three par 5's.

Irwin started by dropping a

stroke to par at the 1st hole because at this stage he had not got full control of the adrenalin flow. He hit a four wood from the tee at this 399-yards par 4 and came up short with his eight iron.

Birdies at the 3rd, 6th and 7th holes with putts of 12, 25 and 30-foot set him on his way, and he is such a marvellous competitor that thereafter he concentrated on guarding his

He chipped within inches of the hole, having played his tee shot through the green at the 228-yards eighth. He got up and down from in front of the green at the par 5 10th and from behind the putting surface at the 12th.

The 550-yards 17th hole is a real eye-catcher in that the green is an island in the lake that runs all the way down the left-hand side of the 15th. Irwin drove 300 yards here and was forced to lay up short of the water with a wedge. He told me afterwards: "I had 240 yards to go, and could have reached the green with a three wood. But I felt it would have been a foolish gamble to go for

This is why Irwin is in the driving seat as the second round starts today.

GOLF

BEN WRIGHT

Marshall, while the defending champion, Hubert Green, is alongside the great Palmer at 76. These two are by no means out of things, since they are easily in the top half of the players that will be decimated when the axe falls this evening, and only 60 and ties will remain for the final two rounds.

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Packer problems still with us

AFTER PAKISTAN had been even more aggrieved. What was the threat that the Packer World Series posed to international cricket, on which the countries and the game are so dependent. They knew, following the High Court judgment after the TCCB had made the

However, unless all the other countries adopt the same approach, they could well be heading towards a major row with their members, which would include all the unpleasantness, the bad publicity and the cost of a special general meeting, unless they change their policy at the end of the season.

If I was a member of Kent, I would be saddened by the prospect of losing players of the quality of Underwood, Asif and Woolmer next year, not to mention Knott, who rather conveniently decided to retire. They cannot be replaced overnight and therefore my team would be less attractive and successful, but I would probably be prepared to accept it, providing all Packer players were excluded from domestic competition.

What would upset most Kent supporters, and certainly all those, including committee men with whom I have already discussed the matter, is, in next summer Kent minus their Packer contingent, were thrashed by a county who was still including their Packer stars and, to add insult to injury, had been strengthened still further by the acquisition of a Kent reject, say Derek Underwood?

This situation, which could occur because some clubs are committed to the retention of their Packer men, would not only weaken Kent, and reduce interest, but would be blatantly unfair to the cricketers concerned.

Apart from being a model professional, Derek Underwood has provided exceptional service for Kent and England over the years. Unlike many international players, he has never regarded county matches as unfortunate chores to be taken for

money, between the glamour of the Tests. He has always loved playing for Kent and invariably given his best. He possesses a greater affection for his county than any imported mercenary, Barry Richards and Hampshire for example.

Underwood's bowling could well prove largely responsible for Kent gaining further honours this summer. If the committee should then dispense with his services, while Gloucester, for example, retain both Procter and Zaheer, it would be blatantly unfair, as it would mean that they were treating for the same offence the Englishman, by not re-engaging him more harshly than a South African and a Pakistani. He might well have a good case if he does well this summer claiming wrongful dismissal under industrial law.

This situation would never have occurred in the past because, apart from the Packer circus being an essential modern concept, the counties now seem less able to work in unison.

Only this season there was the sad spectacle of two clubs, Notts and Lancs, trying to bar Sussex from the championship. In this atmosphere it is difficult to believe that there will be continued action against Packer players. I suspect that this fact of harmony is to some extent due to the extra money to be found as a result of sponsorship and the added pressure to win trophies.

A new breed of committee men are becoming increasingly common. They are more concerned with the success of their own county than the game. In other words, they are becoming closer to football club directors than cricket administrators which is to be regretted.

have decided to act as responsible collectors being extremely discerning in what is acquired.

The investment manager are advised by Sotheby's, name with a very high reputation. But they have taken great pains to ensure that the expertise provided by Sotheby's does not conflict with Sotheby's role as auctioneers. The manager can now justify employing full time works of art manager who is not a Sotheby employee.

Mr. Christopher Lewin, controller of corporate pension and chairman of the works of art sub-committee, points out that every purchase proposed by the Sotheby expert has to go through three separate stages of approval by different groups of people before it can go ahead. A good case has to be made out or the purchase will not go through. The policy, he says, has always been to reject an item if there is any doubt of its value and to date more than one-third of all items suggested have been rejected at one stage.

The managers are endeavouring to build up collections in number of different sections of the art market, following the path of the "true" collector and not simply buying an item by itself looks a good investment.

But having taken this course of action, the funds are not rushing out and buying every item being offered to them, a feature usually attributable to the nouveau riche (and pension funds of Nationalised industries can be described as that). They

CRICKET

TREVOR BAILEY

mistake of going to law, that they had to employ their Packer players this summer. They therefore offered Derek Underwood, Asif Iqbal and Bob Woolmer one year contracts—Warwick did likewise with Denis Amis—presumably with a view to dispensing with their services at the end of the season, as otherwise there was no point in stressing the length of the contract.

The Kent committee were convinced that they had acted in the best overall and long-term interest of the game, although they may have been impetuous.

BRIDGE

E. P. C. COTTER

SOME CONTRACTS played with a trump suit need no real expertise beyond drawing the trumps and cashing the established winners, some require the taking of elementary precautions, and some demand more advanced technique from the declarer. Two hands played by friends of mine, both excellent players, teach useful lessons.

The first from an average rubber was dealt by South:

N. 5 3 4 3
S. A K J 3
W. 4 2
E. 10 9 8 7 6 5 4 3 2
S. A Q 10 8
W. 9 7 6 5 4 3 2
E. 10 9 8 7 6 5 4 3 2
S. A Q 10 8
W. 9 7 6 5 4 3 2
E. 10 9 8 7 6 5 4 3 2

West dealt with neither side vulnerable, and after two passes East tried with one heart. My friend in the South seat bid two spades, most unorthodox, but the kind of bid his present partner would employ—he had decided to pay him out in his own coin. North now made the excellent response of three hearts, which put South on the spot. He could think of nothing better than four hearts, and when North bid five spades, South carried on to six.

Two of hearts, an obvious singleton was taken by the Ace, and trumps were drawn in three rounds. There was only one hope—a red suit squeeze against East. For this to succeed East must hold not only the diamond Ace but the Queen and Knave as well.

Crossing to the club King, South led the diamond singleton, and East won with the Ace. A club was returned to the Queen, and the declarer led a spade to dummy's eight, and cashed the ten, discarding a heart from hand. In the fourth card ending East had Queen, ten of hearts and Queen, Knave of diamonds. A club was led from the table to the declarer's Ace, and East was squeezed. He let go the diamond Knave. South cashed his King, and the ten was his twelfth trick. North said archly: "You love that play, don't you? But you could have ruffed the diamond on the table." South had no adequate reply!

CHESS

LEONARD BARDEN

CHESS IS flourishing on Britain's offshore islands. There are annual Jersey and Guernsey festivals, and now plans for an inter-island league played by telephone and sponsored by Lloyds Bank, Anglesey, the Isles of Man and Wight, Orkney and Shetland, Guernsey and Jersey are all expected to take part, but the organisers would like to contact a chess club in Canvey Island, Sheppey, the Scilly Isles or the Western Isles to make up an even number. Any offers?

Jersey and Guernsey, who compete with a joint team in the biennial chess olympiad for the world championship would be favourites to win such a league. The latest Jersey congress, sponsored by Lloyds Bank and held in April this year, attracted the usual strong entry and was won by David Parr, son of the London Stock Exchange's best player, with 13-year-old Nigel Short sharing second place.

Guernsey's fourth annual festival will be held from October 15-21, sponsored by Hambros (Guernsey) and Guernsey Tourism. Besides main prizes of nearly £1,000, there are special awards for veterans and ladies, together with daily excursions and a problem-solving competition.

These island tournaments have gained an excellent reputation as cosmopolitan events suitable for players of all strengths, and both Guernsey and the next Jersey festival scheduled for May, 1979, should be worth a visit. A brochure with full details of the Guernsey congress is available from The Secretary, International Chess Festival, PO Box 23, St. Peter Port, or phone 0481-58448 in the evening.

Nigel Short's success in Jersey—he lost only to Parr, the winner—shed some incidental light on an opening variation which has been previously discussed in this column and has provoked a good deal of argument among readers, some of whom question whether White's two knights and a bishop can outweigh Black's queen and two pawns in a critical line.

White has usually come out on top in practical play until now, as shown in this week's game and notes; but the debate is far from over.

White: Nigel Short. Black: D. Sikkel (Holland). Opening: Modern Defence (Jersey, 1978). The opening moves were 1 P-K4, N-K3; 2 P-Q4, B-N2; 3 N-Q3, P-Q3; 4 B-Q4, N-K3; 5 Q-K2, N-B3.

Earlier articles have analysed 5...P-K4; 6 P-P; 7 B-KN5; 8...P-B3; 6 P-K5, P-P; 7 P-P; 8 Q-Q; 8 B-Q2 followed by 0-0 or finally 5...0-0; 6 P-K5, P-P; 7 P-P, N-K1; 8 B-P4, P-Q3; 9 N-B3, B-N5; 10 B-K3 as all favourable for White.

The three pieces for the queen and two pawns line is 6...N-QP; 7 P-N, N-Q; 8 P-B, R-KN1; 9 KN-N, R-P; 10 B-KR6, R-KN1; 11 0-0, when White can use his pieces to break down the pawn barriers. 12...P-K4, P-Q3; 13 B-K3, P-B4, P-K4; 14 Q-Q2; 15 B-N5 followed by N-B6 ch, or 11...B-K3; 12 B-Q3, Q-Q2; 13 N-Q4, 0-0; 14 KR-K1, R-N1 (if B-B4; 15 B-QB4, P-K3; 16 P-B3, P-Q4; 17 B-QN5, P-B3; 18 B-R4, P-QN4; 19 N-B, P-N; 15 B-N3, P-Q4; 16 B-B4 ch, KR1; 20 N-K4.

Since 6...N-Q2 fails to 7 N-B3, P-P; 8 B-P ch, Black's only reasonable moves are the text

and 6...N-KR4; 7 P-KN4, N-QP; 8 Q-Q; B-NP with unclear complications after both 9 Q-B, N-P ch and 9 Q-N, B-B4.

7 P-K6? In two games where Botterill, the British champion, was Black, White played the pawn sacrifice 7 N-B3, P-P; 8 P-P, KN-KP; 9 N-N, N-N; 10 B-N3, N-B3; 11 B-K3, N-Q5; 12 B-N, Q-B; 13 0-0 with attacking chances. The more forcing move in the present game should be met by 7...P-KB4; 8 P-Q5, N-Q5; 9 Q-Q1, P-B3; 10 N-Q5, N-Q5.

7...N-QP? (now Black has an inferior version of the 6...N-KR4 line, and White quickly gets on top); 8 Q-N, N-P ch; 9 Q-K1, N-B3, B-N5; 10 B-K3 as all favourable for White.

The three pieces for the queen and two pawns line is 6...N-QP; 7 P-N, N-Q; 8 P-B, R-KN1; 9 KN-N, R-P; 10 B-KR6, R-KN1; 11 0-0, when White can use his pieces to break down the pawn barriers. 12...P-K4, P-Q3; 13 B-K3, P-B4, P-K4; 14 Q-Q2; 15 B-N5 followed by N-B6 ch, or 11...B-K3; 12 B-Q3, Q-Q2; 13 N-Q4, 0-0; 14 KR-K1, R-N1 (if B-B4; 15 B-QB4, P-K3; 16 P-B3, P-Q4; 17 B-QN5, P-B3; 18 B-R4, P-QN4; 19 N-B, P-N; 15 B-N3, P-Q4; 16 B-B4 ch, KR1; 20 N-K4.

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The three pieces for the queen and two pawns line is 6...N-QP; 7 P-N, N-Q; 8 P-B, R-KN1; 9 KN-N, R-P; 10 B-KR6, R-KN1; 11 0-0, when White can use his pieces to break down the pawn barriers. 12...P-K4, P-Q3; 13 B-K3, P-B4, P-K4; 14 Q-Q2; 15 B-N5 followed by N-B6 ch, or 11...B-K3; 12 B-Q3, Q-Q2; 13 N-Q4, 0-0; 14 KR-K1, R-N1 (if B-B4; 15 B-QB4, P-K3; 16 P-B3, P-Q4; 17 B-QN5, P-B3; 18 B-R4, P-QN4; 19 N-B, P-N; 15 B-N3, P-Q4; 16 B-B4 ch, KR1; 20 N-K4.

Since 6...N-Q2 fails to 7 N-B3, P-P; 8 B-P ch, Black's only reasonable moves are the text

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WHITE (12 men)

PROBLEM No. 220
BLACK (8 men)
WHITE (8 men)

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Solutions, Page 12

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LEISURE

Storks, music and fringe benefits



Bulgarian folk festival

IT WAS April, and tobacco-planting time in the valleys beneath Rila mountain. Its gleaming white peaks, reaching to 2,925 metres, made a splendid backdrop to the women gossiping over their work in the tobacco fields near the village of Kocherinovo. Storks were nesting on the village roofs and sheep nudged among the spring grass. We were on our way to Rila Monastery, founded in the 10th century, largely re-built after a fire in 1833, and among the most dramatic sites in the Balkans.

About 900 miles of driving around Bulgaria on that recent occasion confirmed earlier impressions: this chunk of East Europe wedged between the Danube and the Black Sea has the spice of variety. Expanding tourist amenities, combined with various concessions, have also made it one of the better and more flexible travel bargains on the late 1970s, especially for motorists and families with children. A bonus of 50 per cent on the official rate of exchange applies to all tourists (not businessmen or private visitors) using the services of Balkantourist, the main operator of accommodation and other tourist services in Bulgaria. Visitors making pre-paid arrangements through a UK travel agent gain considerably in terms of concessions and reduced formalities. To begin with you will be exempted from the need to obtain a visa,

TRAVEL

SYLVIE NICKLES

which otherwise costs £7.40 (small charge at other times or at other resorts). With its gently sloping sands and wide variety of sports and entertainment amenities, this is a good centre for the young, though seekers of local culture may find the network of modern hotel complexes a little limiting.

Indeed, the earliest of the coast's tourist facilities date from the late 1950s and most of them from much later. Other-wise there are the busy ports of Varna and Bourgas, and historic little pockets such as Nessebur, which is packed with lovely old monasteries from medieval and earlier times, or the fishing village of Sozopol whose narrow streets and old houses attract the artist set.

Of the three other major resorts, Zlatni Pyasatsi (Golden Sands) is notable for its mineral springs, Albena for its exotic modern architecture, and Drouzhba for its Swedish-built Hotel Varna, undoubtedly the best in Bulgaria: fully equipped for all kinds of balneological treatment (an abortive search for oil in 1947 led to the accidental discovery of the mineral springs), it is highly sophisticated in all its appointments. It is also the only hotel in Bulgaria with a private beach.

For Bulgarian history, which is plentiful and sanguinary (the Turks ruled, suppressed and oppressed for half a millennium here), you should head inland

into such mountains as the Balkan range or the Rhodopes, or such depressions that separate them as the Thracian Plain and the Valley of the Roses. The latter is at its most magnificent in May, though at other times flourishes with fruit and lavender. At Kazanluk there is a Museum of Rose Production (e.g. three tons of rose petals equals one litre of rose oil) and near here a beautiful Thracian Tomb from the 4th century BC which should certainly be seen.

Among the inland towns, Veliko Turnovo, once the capital, and the older districts of Plovdiv, site of the big international trade fair in September, are well worth some gentle browsing. Gabrovo is very industrial, but five miles away at Etor is a charming open air museum of original houses grouped along a mountain stream where all kinds of crafts are kept alive. The countryside in most areas is especially rewarding for its scenery and slow pace.

I liked Sofia, too. At first glance it seems rather overwhelmingly recent until you look, almost literally, under the surface. There you find delightful scenes, such as 14th century St. Petka Samardjitska, an oasis of calm beneath the traffic of Dondukov Street, or 5th century St. George Rotunda, crouching in the courtyard of the Balkan Hotel; or a cobbled Roman road and foundations in an underpass just in front of Communist Party HQ. St. Sophia Church itself is a restored and graceful shell from the 6th century. Alexander Nevsky Memorial Church a glittering representative of the early 20th.

It's also a city of light traffic, green spaces, good concerts and opera, and quite a lively restaurant-and-café life. And, as for most places in Bulgaria, the mountains are on the doorstep: in this case Vitosha at 2,290 metres, a natural playground at any time of the year. Two-week holidays with full board at the height of the season average £150-£200 (£300 at Drouzhba's Varna Hotel). Further information from Bulgarian National Tourist Office, 126 Regent Street, London, W1R 6BD.

Year week-end: E. Austria 27.10, Belgium 29.20, France 3.30, Italy 1.30, Greece 6.50, Spain 1.02, Switzerland 3.00, U.S. 1.02. Source: Thomas Cook.

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Heady
climbers

AS I STRODE across a seaside golf course the other day watching some of Britain's top professionals playing with amateurs, I suddenly noticed that I was walking on a close carpet of roses. It was, of course, the Scotch Rose, a lovely species which never seems to behave in gardens as it does when it grows wild on the dunes. I thought what an extraordinary family this is, with variety that can scarcely be equalled, let alone surpassed, by any other.

In a few weeks roses will be spilling from the tops of some of my tallest larches, trees that have been growing steadily since well before the war and must now be fully 60 feet high. They are musk roses, or what pass for such in gardens for I leave the mysteries of rose naming to experts like Graham Thomas, one of whose books, *Climbing Roses Old and New*, is just about to be reissued by Dents in a revised edition costing £8.95. I am delighted to have it for climbing roses tend to be neglected by both writers and breeders, the former, I imagine, because of the difficulties in unravelling the ancestry of many of these roses and the latter because, so they assure me, there is little money to be made from climbers. I do not think that this indicates any lack of appreciation by garden owners but rather that climbing roses, even the smaller ones,

take up so much room that it is only necessary to buy a few. Yet those few can make all the difference to the beauty of a garden in summer and they should be chosen with the greatest care.

I share Graham Thomas's preference for growing climbing roses as nearly naturally as possible which is why I send my musk roses scrambling into tall trees where I can admire them without ever being called upon to do anything about them since they are too high up to be pruned, let alone sprayed. The odd thing is that they never seem to need either when grown in this way.

That marvellous rose Kiftgate belongs to this same group of musk roses. Where it does well it is breathtakingly beautiful, with huge trusses of creamy white flowers but with me it has not grown so well as the anonymous "moschata" which was given to me years ago by that remarkable amateur rose grower Mr. A. Norman who raised Ena Harkness, Fensham and several other very good roses. I think that Kiftgate needs better soil than I am able to give it. I must try it again in another place and with much better soil preparation than it got last time. You do not expect a monster like this to be faddy but Mr. Thomas confirms my suspicion that this is just what it is.

Kiftgate gets its name from Kiftgate Court, a lovely garden in the Cotswolds, just below Hidcote Manor and with even better views across the Vale of Evesham to the Malvern Hills. The garden was made by the late Mrs. J. B. Muir and she pur-

chased the rose, presumably as Rosa filipes, of which it is certainly a variety, from the Bunyard nursery, then at Maidstone. It was years before anyone took much notice of it but then its fame spread. Mrs. Muir allowed it to be propagated and widely distributed and, as Mr. Thomas explains, it was called Kiftgate to distinguish it from other, possibly inferior, forms of *R. filipes*.

This is not the only distinguished climbing rose to be saved from obscurity by Mrs.

GARDENING

ARTHUR HELLER

Muir. Also from Bunyard she purchased a form of *Rosa brunonii* which Mr. E. A. Bunyard had found in the Hambury garden at La Mortola just on the Italian side of the French-Italian frontier near Menton. According to Graham Thomas this is unquestionably the most ornamental form of the species, outstanding in foliage, flower and fragrance, and he should know because it was he who saw it at Kiftgate, and persuaded Mrs. Muir to let him introduce it to general cultivation under the name *Rosa brunonii* La Mortola.

Among the first roses to flower are the Banksians, particularly the Double Yellow Banksian which is the easiest to purchase and to grow. It has a reputation for tenderness but it will stand quite a lot of cold if its growth has been

Soft and easy

IT WOULD BE somewhat easier to concentrate on the production of these words about summer wear for men if the rain were not currently beating against my office window and my fingers were not moving sluggishly over my typewriter keys thanks to the biting chill of a male blind spot. The One Jung air in the City. However,

FASHION

ARTHUR SANDLES

Well worth a browse at the moment are the various outlets of Take Six offering bargain basement prices on clothes literally a cut above most of the High Street opposition.

The poor weather has come at a time when there is a fine crop of leisure clothing in the shops, a singularly unhappy coincidence but one that means quite a lot of things on stock around for anyone making a last minute holiday purchase. But so rapidly is menswear at an overpend.

Left is the look which is typical of the present trend, a soft khaki blouson top lined with cotton towelling and selling for around £23 at branches of Take Six. It is worn over a track suit also from Take Six. V necks (leery in South Merton Street has some super ones) are selling very fast and you could find a shortage of the more popular ones.

Below are three other examples of current leisure outfits. The Safari jacket, a very soft summer weight garment, sells for £39 at Austin Reed (Cue). The jacket in the centre is a softly superb silk production from Washington-Trenslatt at £139 with a shirt from Browns, South Merton Street (£40), and the silk pullover, shirt and tie on the right, comes from Paul Heale, a designer whose goods are widely stocked in the more trend conscious shops. The trousers in each case come from Austin Reed. The pictures were taken by Trevor Humphries at the Holiday Inn, Soane Street, London.

Green
hills

I SPENT most of May in China and, in the moments of wakefulness induced by the barrage of loudspeakers and motor horns with which the Chinese salute the dawn, I thought with increasing nostalgia of the cool green hills of Argyll and the river where for the last dozen years I have fished for salmon and sea trout with indifferent success.

Or, to be more exact, for the last five years catches in June have declined almost to zero. Last year we caught the only fish landed in that month. My fish had nothing to do with a falling off of our basic skills but partly to a shortage of water in the river and more importantly of fish in the spring run and this has been common to all rivers. So marked was a chance. I have never this transfer of fish to autumn been driven to this because runs become that the experts

had written off with the most reasoned arguments any prospect of a return of spring fishing.

As usual the experts have been proved wrong because this year there has been an enormous number of fish in many Scottish rivers and I hoped, on my way through to the Highlands, I would find the same state here. But the auguries en route were not good.

Except where there was still snow on the tops the streams and rivers were dry, just the bare bones of water-polished rocks in place of the usual torrent at this time of the year. I wasn't very worried. This river is fed by a 20-mile-long loch and I have never seen it without some water.

Within a few miles of my destination I passed a well known river dry as a bone and saw two fishermen wading in the sea at its mouth and cast in the hopes of catching one of the fish waiting to enter the stream as soon as there to all rivers. So marked was a chance. I have never this transfer of fish to autumn been driven to this because runs become that the experts

thing are slight and you can't wish you spinning off Brighton Pier with almost as much hope of success as they had.

One can but sympathise with anglers who have booked their holiday months before only to be reduced to these straits on arrival but I found that I was not a much better case myself.

The river is almost dry, there has been little rain for nine weeks and it is even lower than it was last year. But there is a difference. The half dozen deep pools hold a great many fish. They can be seen in the atmosphere that will make the salmon lose their cool and grasp the bait. Otherwise the problem of course is to catch them.

The pools are deep, dark and without movement, and the obvious tactic would be to use

worms, but this is against the rules and we fishermen keep the rules. So we are reduced to fishing the surface, when it there is enough wind to make a top, all using sucker flies at best, and the stream outlets where we can see the fish lined up waiting to go on up to the loch.

Thanks to the use of polarised glasses every fish's movement my rod down with the fly still can be seen at a considerable depth. It is really quite interesting. There are the salmon, four or five together, a well directed fly glides down towards them. They avoid it by moving out of its way and then slide back into position. We have been at it for hours now and no salmon has seen the fly. I lost its temper enough to soap at the fly.

I do not think that we have a hope, unless before the end of the week there is some change in the atmosphere that will make the salmon lose their cool and grasp the bait. Otherwise it is we who are getting frustrated. Nowadays thanks to those glasses we can see it all happening, and this underlines the fact that it was prob-

ably better in the past when we were fishing in blind ignorance. And ignorance is the word for fishing the surface, when it there is enough wind to make a top, all using sucker flies at best, and the stream outlets where we can see the fish lined up waiting to go on up to the loch.

Nothing happened for an hour or so and feeling tired I decided to retire for the night. I heard the reel begin to scream and turned off the bank and followed what must have been an enormous fish into the water and disappear. The rod not floating because of the weight of the reel. I attempted to find it on the bottom by dragging operations with a spinning rod and treble hooks but to no avail. Late that evening the fish escaped and the floating line came to surface and the rod was recovered 50 yards from where I lost it which proved that a fish had taken it and not that I had flung it away in frustration as my companions seemed to think. This was the only fish to take my fly that week and that was that.

ARTS/COLLECTING



Bob Dylan in action at Earls Court

Times changed

Any doubts that Bob Dylan is Las Vegas like sophistication, the most impressive composer and performer produced by rock music were dispelled at Earls Court on Thursday night when he started a week of concerts, his first in London for almost a decade. It wasn't all plain sailing. At the start, new material, an unsettled hand, and the awl of the arena, with people milling around as freely as on the concourse of Waterloo Station, made the day-long queues for tickets, and their inflated Black Market prices seem like bad jokes.

But then suddenly he is singing *Like a Rolling Stone*, spitting out the hypnotic lyrics and pulling the band together with mounting tension. By the end the audience is on its feet, relieved to know that Dylan can still express all

BOB DYLAN
ANTHONY THORNCROFT

the passions of a generation through the universal art form of the generation, rock music. From then on Dylan was magnetic, displaying a charisma that is quite unexpected. It is easy to see what all the fuss is about. It is a long way away from the small ungainly boy from the mid-west who arrived in New York City in 1961 and started, virtually single handed, the contemporary folk movement. Only with a languorous version of *Tangled Up in Blue* was Dylan alone on stage and even then a saxophone player and an organ were supporting around the edges. Now Dylan puts on an act with almost

The first Dylan concert was a series of revelations—his voice, less affectedly strangled than in the past, his dominating presence onstage—the band was kept very much in its place, and above all, his musical imagination. Many of the standard Dylan songs were given original, sometimes perversely original, interpretations. Don't think it's a stretch to say that Dylan had an almost Jimi Hendrix like rawness, with some powerful violin from David Mansfield thrown in. Maggie's Farm was punched through with rock chords, and just like a woman came close to Tamla Motown, with a sad loss of plainness. In the main, though, the updating worked wonderfully, and inspired the band to unexpected heights.

The encore was *The Times They are a-Changin'*, an historical curiosity now rather than the inspired indictment it seemed 15 years ago, and then the lights went up and a shell-shocked audience shuffled into the night. Dylan had been on stage for two hours. He looked relaxed, amiable, quite interested in the job. He ignored many of his greatest songs in favour of the lighter, more recent work, but he did enough to retain his reputation in the lists of latter day heroes. The radical poet is now the rock entertainer: it could hardly have turned out better.

Riverside Studios

Treetops

Nicholas Wright has been director of the Theatre Upstairs and joint artistic director of the Royal Court. Possibly he has been too busy to write a play until now. But this one at the Riverside Studios, which is set in the Cape Town of 1952, after the dissolution of the Communist Party and before the election. How are the white democrats going to survive? Let alone change the course of history? We know the answers now: what Mr. Wright does is to describe the mood of the time by concentrating on two middle-aged friends, one of Scottish origin with a good war record, the

THEATRE
MICHAEL COVENEY

other a volatile Lithuanian Jew whose Socialist passion has not yet been driven completely underground.

Their story is given a richly poetical parallel in the friendship of their respective sons. In their adolescent rough and tumble, their adolescent attitudes are ingeniously infected through a relationship that is innocent but increasingly less so. The Scotsman, Rusty Walker, brilliantly played by Bill Paterson, is preparing a manifesto in the headquarters of the Torch Commando to open membership facilities to all races. While the play develops as a poignant obituary for lost hopes, the humanity of the characters is never sacrificed for the sake of broader canvas effect. As in David Edgar's *Destiny*, the

point is made in the analysis of individual decisions. Rusty's friend, Leo Skiba (played by the admirable John Bluthal) is disappointed when Rusty sacrifices a telegram for a Post Office counter for non-whites. Leo is writing a column for the Left-wing *Sentinel* and attacks Rusty who, by now, is selling the newspaper on the streets; he has been to prison and left his wife (Gillian Barge). Although the piece is firmly set in its period of post-war colonial confusion—the title is the name of the Kenyan hunting lodge where Princess Elizabeth heard of the death of her father—one of its great merits is that it is not confined by that setting.

John Burgess's production is not afraid of lingering sensuously as the young boys pursue each other on bicycles through the countryside, or as Rusty's wife, stewing in her own liberal juice, laboriously proposes a cut in salary for her coloured maid on a stage dazingly transformed by a travelling washing line of white sheets. The washing line is finally down at a vividly presented public meeting where Leo receives a telegram denying his freedom of speech as he invades the passive resistance argument of Gandhi. And, early on, we have seen a broken bench with his wife in the shadow of Rhodes as all around them celebrate three centuries of white rule.

It is, in short, an extraordinary achievement and, in addition to those mentioned, Judith Hart, Liz Kaye and the two boys—Joff Wild and David Sassien—make all *"Italia Conti"* make contributions to a memorable evening.

More for Tate

A group of 36 sculptures by Henry Moore promised to the Tate Gallery by the artist in 1969 has now been handed over. The Gallery already has 38 Moore items and the new pieces will make up a unique collection of the sculptor's work.

The gift was made on condition that it should be presented initially as an exhibition. The collection will be on show from June 28 to August 28. The exhibition includes plaster casts and finished bronzes showing in detail his method of working. Two pieces will be sited outside the Gallery overlooking the Thames. The larger, *Two Piece Reclining Figure No. 2*, dating from 1963-64 and weighing several tons, will be lifted into position by a crane on June 22.

A Gallery spokesman said: "This is a major gift by one of our greatest artists of some of his finest and most important pieces."

TV RATINGS w/e June 6

| UK TOP 20 Home Viewing (m) | |
|-------------------------------------|-------|
| 1 Winner Takes All (Variety) | 12.40 |
| 2 The Good Life (BBC) | 12.30 |
| 3 Coronation Street (BBC) | 12.25 |
| 4 Marmalade and Wine (BBC) | 12.20 |
| 5 Scotland v Iran (BBC) | 12.15 |
| 6 Crossroads (ITV) | 12.10 |
| 7 Whodunnit (Thames) | 12.05 |
| 8 Coronation Street (BBC) | 12.00 |
| 9 Crossroads (Thames) | 11.55 |
| 10 You're Only Young Twice (ITV) | 11.50 |
| 11 Whodunnit (Thames) | 11.40 |
| 12 World Cup: Italy v Hungary (ITV) | 11.35 |
| 13 Liberate (ITV) | 11.30 |
| 14 Pink Medicine (LWT) | 11.25 |
| 15 Scotland v Holland (BBC) | 11.20 |
| 16 Hail (ITV) | 11.15 |
| 17 Kojak (BBC) | 11.10 |
| 18 That's Life (BBC) | 11.05 |
| 19 Charlie's Angels (ITV) | 11.00 |
| 20 Celebrity Squares (ATV) | 10.55 |
| 21 Tunisia v West Germany (BBC) | 10.50 |

Figures compiled by Audit of Great Britain for the Joint Industrial Committee for Television Advertising Research (JICTAR)

| U.S. TOP TEN (Nielsen ratings) | |
|--|------|
| 1 One Day At A Time (comedy) (CBS) | 27.4 |
| 2 Law Grant (drama) (CBS) | 26.3 |
| 3 WASH (comedy) (CBS) | 25.3 |
| 4 Charlie's Angels (drama) (ABC) | 24.3 |
| 5 Three's Company (comedy) (ABC) | 24.3 |
| 6 Love and Shirley (comedy) (ABC) | 23.3 |
| 7 Happy Days (comedy) (ABC) | 23.3 |
| 8 Star Trek (drama) (NBC) | 23.3 |
| 9 Career Country (comedy) (ABC) | 19.3 |
| 10 Heavensgate Championship (baseball) (ABC) | 19.3 |

A Nielsen rating is not a numerical total.

Doulton's pretty ladies

BY JANET MARSH

THE IDEA of something which is produced simply in order to be collected, and is advertised with slogans like "the heirlooms of tomorrow" always seem slightly, slightly suspect. The vast and growing army of Royal Doulton figures is perhaps the honourable exception, on account of its sheer staying power—there has been a regular production since 1913—and the unselfconscious way in which they seem to follow a centuries' old tradition of Staffordshire pottery image making.

Their collectability—particularly for the kind of collector who prefers to see his horizons clearly drawn by a catalogue—is now enhanced by the appearance of the massive *Royal Doulton Figures Produced at Durslem 1890-1978* (Royal Doulton Tableware, £20) compiled by Desmond Eyles and Richard Dennis, who for years have been the dedicated chroniclers of Doulton wares of all sorts. Upwards of 500 figures are illustrated in colour, and catalogued in the chronological order of Doulton's own pattern books.

Figure modelling at Doulton began in the 1870s with the whimsical and sometimes inspired stoneware creations of George Tinworth, whose anthropomorphic studies of mice taking tea, playing tubas or performing Punch-and-Judy shows are among the most desirable items of late 19th-century art pottery.

Tinworth worked at Doulton's original Lambeth factory. The 20th-century tradition belongs more to the Burslem branch, opened just over a century ago for the manufacture of fine earthenware. In 1889, while Tinworth was still at work in London, Charles J. Noke, who had been trained as a modeller at the Worcester Porcelain factory, joined Burslem as chief



designer. Noke, who remained chief designer into the 1920s, created a few sculptural pottery figures in the '30s, but it was not until 1909 that he persuaded Doulton to let him commission a group of sculptors to design figure models.

The first Royal Doulton figures of the series which still continues today were finally put on the market in 1913. In some respects these early works have never been bettered. Phoebe Stabler and Charles Vyse, established artists who had exhibited at the Royal Academy, seemed instantly to understand the needs of ceramic sculpture and their figures have a broad, strong, monumental quality which few subsequent Doulton artists have recaptured.

In the earliest model in the catalogue, Vyse established the particular vein of sentimentality that has been Doulton's tradition and success. It was a tiny thumb-sucking child in a nightgown, which is known to this day (a reduced version is still in production) as "Darling" on account of Queen Mary's delighted expression when she picked it up at an exhibition. Figure No. 3 was the first of the hundreds of different crino-

line ladies which have continued to be best sellers. It is too easy to be snobbish about the easy nostalgia and sugary sentiment of Doulton figures—the balloon sellers and Dickens characters, the Gladyses and Priscillas and Cillas and Pennies and Loretas and Sandras (the names have changed with fashion), the "Miss Demures" and "Secret Thoughts." For over 60 years they have responded to a market, sensitively reflecting the tastes of their clientele rather than trying to influence it. Just as the humble Victorian Staffordshire figures—derided and scorned in the early years of the century—accurately reflected the tastes and sentiments of the Victorian working class, Doulton figures intimate the social and sentimental values of a (surprisingly unchanging) 20th century middle class taste.

The crinoline ladies subtly combine with their nostalgia, echoes of the contemporary look of women and their clothes. Modes and styles are picked up, the influence of Bakst and the Russian Ballet, of the Japanese craze after *The Geisha* and *Madame Butterfly*, of *Chu Chin Chow* and *Playfair's Beggar's Opera*. Modified forms of Art Deco creep in, and there was even a period in the twenties when quite erotic bathing belles and nudes made their appearance. (One particularly daring one appears in an alternative form with a stoutly painted-on bathing dress.)

Doulton had its higher artistic aspirations: in the 1930s Richard Garba RA produced a number of limited editions. His "West Wind" and "Beethoven" are particularly vigorous and lively sculptures albeit in a style that already seemed before they were exceptions; and what the public really wanted was what Doulton gave and continues to give it.

Currently John Hall of Harrington Road has examples of a 1915 figure of the American actress Doris Keen in a "Romance," priced at £130; and W. S. Penley was "Charley's Aunt" at £75. Prices for early and out of production Doulton figures can reach several hundred pounds; while the new and current models market at between £10 and £60.



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EXPERIENCE AND EXPERTISE . . . 345



A group of Chinese overlay glass snuff bottles. Sale, June 19.

18th century China saw the popularisation of taking snuff as a social convention. The Chinese, unable to pinch snuff with long fingernails, carried it in small bottles with a spoon attached to the stopper, developed from medicine bottles. Chinese snuff bottles share with jade carving the pleasing combination of visual and tactile quality. Snuff bottles were carved from a wide variety of materials, including hardstones, glass and organic substances, and the collector may display many interesting examples of this miniature art form within a single cabinet. As objects which were in continual use, they become for the imaginative collector a link with the manners of mid to late Ch'ing society.

The Harry Ross Collection, which will be sold at Christie's on Monday, June 19th, contains many fine and several outstanding snuff bottles; examples of the latter being a rare lavender jade oviform bottle, an emerald green jade rectangular bottle and a Peking enamel disc-shaped bottle decorated with European figures.

For information and advice on this sale, please contact Peter Bulton or Derek Gillman at the address above.

Spencers OF RETFORD



A Victorian tea and coffee service repousse with chinaliseries. London 1862. To be sold on June 22nd.

FORTHCOMING SALES

WEDNESDAY 21st JUNE

Georgian and later furniture and works of art; clocks; rugs; metalwork; a Roman mosaic panel—Retford Salerooms.

THURSDAY 22nd JUNE

Georgian and later silver; Sheffield and other plate; bijouterie including a good selection of Georgian and Victorian silver tea services; a pair of George III entree dishes, London 1813 by Craddock and Reid—Retford Salerooms.

WEDNESDAY 5th JULY

Victorian and later furniture and works of art—Retford Salerooms.

THURSDAY 6th JULY

European ceramics including a Royal Worcester coffee service painted with fruit; an early First Period Worcester cream boat—Retford Salerooms.

THURSDAY 13th JULY

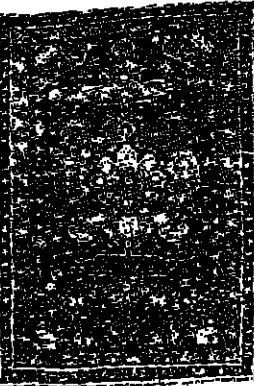
Oil paintings and watercolour drawings including works by H. Redmore, E. K. Redmore, J. K. Leurs, E. Verboekhoven, A. H. Vickers, E. Neimann, H. E. Butler, J. R. Reid, T. Lloyd, H. Woods—Retford Salerooms.

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VENEZUELA

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VENEZUELAN CULTURAL EVENTS 3 JULY-29 JULY 1978

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

The Board of Albright and Wilson has agreed to accept an increased offer of 195p a share from the U.S.-based Tenneco which failed last month to acquire the 50.2 per cent of Albright not already owned because the latter's Board felt that the 195p a share offered fell substantially short of a level that could be recommended to shareholders. The revised terms are considered fair and reasonable by both parties who are expected to join forces in appealing to the Government not to block the proposed merger.

The Post Office Pension Fund is to take over one of the UK's leading investment trust groups in a major three-way deal which will provide Barclays Bank with an injection of some £85m of new capital. Under the terms of the deal, Barclays is offering its own shares worth around £91m at current market value, to buy the Investment Trust Corporation. The bank has already agreed that, if the bid goes through, it will then sell the investment company to the Post Office staff superannuation fund for £95m cash.

Cement-Roadstone has made a £5.55m agreed take-over bid for J. and W. Henderson. The offer comprises 210p cash for each Henderson share and it seems assured of success as the major shareholder London and Northern Group, which holds 34.6 per cent Henderson equity has pledged its support along with the Henderson directors.

The long courtship of Mr. Peter Prowling's private property development group County and Suburban and the publicly quoted Estates and General Investments may have a happy ending. E. and G. has brought out a new merger plan which appears to satisfy the criticisms that killed the last scheme in 1975. The new merger terms are structured in the form of a reverse takeover by E. and G. of County and Suburban. It will be effected by E. and G. issuing 7.88m new 20p shares and a new 10 per cent loan stock.

Bridgewater Investment Trust has been granted re-listing of its shares on the London stock exchange following the announcement that Sagesa SA, a Swiss financial holding group, is making a £307,000 bid for the trust. The Geneva-based group has paid Clifton Investments £218,000 for its 55 per cent stake in the trust and is now offering 6.6p a share to all other shareholders in order to comply with the City Take-over Panel rules.

UNIT TRUSTS

High income funds back in fashion

THIS WEEK, Gartmore Fund Managers turned away from the current vogue of North America and returned to that old standby the high income fund. Over the past few years these funds have provided the bread and butter business for the unit trust movement while other funds have occupied the limelight for a few months and then returned to obscurity. The managers launched the Gartmore Extra Income Units to put alongside the High Income Trust.

The investment objective of this new fund is high income with maximum growth potential, so the portfolio will be almost entirely high yielding UK equities. The fund yields 9.99 per cent gross—a full 4 per cent point higher than the High Income Fund, despite the latter's preference share content.

The growth of the High Income Fund now at £15m is inhibiting the managers ability to deal in small lines of stock thereby keeping up the yield. Thus in launching this new fund, the managers are deliberately restricting the number of units issued so

that they have a small fund which can maintain flexibility. For investors seeking quarterly income the managers have designed a Quarterly Income Plan with investment being made in both the Extra Income and High Income Funds. Schlesinger Trust Managers, the Tyndall Group and Lawson Securities have also abandoned, at least temporarily, the overseas markets for the UK and are offering their highly successful high income funds. The Schlesinger Extra Income Trust also aims for maximum growth by investing solely in equities and has a yield of 9.5 per cent. Tyndall is offering the London Wall Extra Income Growth Units, yielding almost 10 per cent, the portfolio having only a small portion of fixed interest stocks. The Lawson High Yield Fund, in contrast has 40 per cent of its portfolio in preference shares and offers a yield of 11 per cent, but diluted income growth prospects.

Save and Prosper is still sticking to its United States Growth Fund and despite the setback last week still holds to the firm belief that the scope for capital growth

announcement that the company is involved in talks with an unnamed party.

| Company bid for | Value of bid (£m) | Price per share (£) | Value of bid (£m) | Price per share (£) | Final bid (£m) | Final bid (£) |
|--------------------|-------------------|---------------------|-------------------|---------------------|-----------------|---------------|
| Albright & Wilson | 195.3 | 163 | 123 | 115.04 | Tenneco | — |
| Bridgewater Trust | 8.6 | 717 | 7 | 0.397 | Sagesa SA | — |
| Capital & County | 130 | 142 | 97 | 1.37 | Johnson Group | — |
| Carding Group | 20 | 20 | 20 | 4.64 | Unigate | — |
| Carlton Inds. | 105 | 195 | 170 | 22.7 | Hwkr. Siddley | — |
| Corncroft | 65 | 68 | 56 | 1.62 | Armstrong | — |
| Customag | 20 | 211 | 194 | 1.05 | Monclay | — |
| Fluidrive Eng. | 744 | 784 | 55 | 5.11 | Thos. Tillig | — |
| Harrisons | 9718 | 96 | 90 | 118.71 | Harrisons | — |
| Malayanian Pts. | 210 | 208 | 155 | 5.65 | Crossfield | — |
| Henderson (J. W.) | 20 | 27 | 18 | 0.50 | Boydstone | — |
| Henderson (W.) | 30 | 27 | 18 | 0.75 | Petford | — |
| Invest. Trust Cpn. | 289 | 278 | 255 | 90.09 | Barclays Bank | — |
| KCA Intl. | 28 | 281 | 25 | 7.7 | Mr. T. Ward | — |
| Kingside Inv. | 61 | 561 | 52 | 5.4 | Jove Inv. | 19/6 |
| Land. Aust. Inv. | 132 | 137 | 123 | 11.37 | Colonial Mutual | 12/7 |
| Land. & Liverpool | 21 | 25 | 19 | 0.32 | Aschheim Secs. | — |
| Trust | 25 | 28 | 21 | 0.88 | W. & A. S. Zug | — |
| Wills Masters | 200 | 197 | 103 | 1.23 | Hillier & AR | — |
| Mitchell Cotts | 838 | 80 | 82 | 1.37 | Mitchell Cotts | — |
| Transport | 89138 | 633 | 487 | 23.25 | Nihon Foods | 23/6 |
| Park Farms | 98 | 93 | 7211 | 78.64 | Robt. Kitchens | — |
| RKT Textiles | 200 | 196 | 170 | 0.78 | Equival | 27/6 |
| St. Kitts (London) | 145 | 136 | 124 | 14.30 | Equival | — |
| Sugar | 95 | 93 | 58 | 1.60 | W. J. Glossop | — |
| Turner Mfg. | 60 | 48 | 48 | 2.40 | Newman Inds. | — |
| Wetters Bros. | 200 | 196 | 170 | 0.78 | Equival | — |
| Wood & Sons | 145 | 136 | 124 | 14.30 | Equival | — |

Rights Issues

British Tar Products: One-for-11 at 45p each.
Hartwells Group: One-for-three at 82p each.
Sketchley: One-for-five at 82p each.

PRELIMINARY RESULTS

| Company | Year to | Pre-tax profit (£000) | Earnings per share (p) | Dividends per share (p) |
|--------------------|---------|-----------------------|------------------------|-------------------------|
| AB Foods | Apr. 1 | 77,829 (30,363) | 9.7 (9.9) | 2.25 (2.075) |
| Allied Retailers | Apr. 1 | 4,474 (3,606) | 23.5 (20.9) | 8.71 (7.5) |
| Alpine Drinks | Apr. 1 | 1,540 (1,221) | 14.7 (12.3) | 6.6 (5.334) |
| Anglo-Indonesian | Dec. 31 | 1,212 (603) | 12.9 (2.4) | 2.75 (2.5) |
| Ariel Inds. | Mar. 31 | 783 (782) | — | 2.14 (1.914) |
| Avenue Close | Mar. 31 | 359 (307) | 2.8 (2.6) | 1.625 (1.477) |
| Belhaven Brewery | Apr. 2 | 91 (693) | 1.11 (1.1) | — |
| B. & C. Shipping | Dec. 31 | 29,312 (27,273) | 34.5 (28.9) | 9.238 (8.353) |
| British Tar | Mar. 31 | 1,239 (1,008) | 5.6 (4.5) | 1.804 (1.613) |
| Brownlee | Mar. 25 | 765 (1,280) | 5.2 (8.5) | 2.27 (2.056) |
| Caledonia Inds. | Mar. 31 | 3,160 (3,070) | 10.4 (9.1) | 8.431 (7.61) |
| Chloride Group | Mar. 31 | 25,068 (26,410) | 11.6 (13.4) | 5.128 (4.852) |
| Canary & New Twn. | Jan. 31 | 458 (591) | 1.11 (1.1) | 0.65 (0.68) |
| A. Cohen | Dec. 31 | 1,848 (2,138) | 39.5 (45.3) | 3.43 (4.31) |
| Cont. Stationery | Mar. 31 | 196 (176) | 3.8 (3.0) | 2.32 (2.32) |
| Dom Holdings | Mar. 31 | 1,023 (535) | 6.9 (3.6) | 4.44 (4.2) |
| Forstmann & Mason | Mar. 25 | 1,415 (1,538) | 12.1 (14.8) | 20.5 (20.8) |
| Goldrill (Foucaud) | Mar. 25 | 453 (380) | 10.0 (8.0) | 2.69 (2.43) |
| Gr. Portland Ests. | Mar. 31 | 4,104 (2,530) | 8.2 (3.5) | 4.857 (3.546) |
| Hargreaves Group | Mar. 31 | 3,422 (2,272) | 6.1 (3.3) | 3.217 (2.88) |
| Hillier & AR | Mar. 31 | 108 (264) | 7.1 (3.5) | 2.5 (4.0) |
| Hill Samuel | Mar. 31 | 6,850 (6,710) | 11.6 (11.3) | 4.266 (4.004) |
| Intl. Timber | Mar. 31 | 3,307 (3,255) | 15.0 (14.7) | 7.053 (6.81) |
| Johnston Mathy | Mar. 31 | 18,845 (21,015) | 51.9 (61.3) | 13.618 (12.503) |
| Wm. Leach | Feb. 28 | 2,203 (2,734) | 14.9 (21.0) | 6.0 (3.0) |
| Ldn. & Overseas | Mar. 31 | 2,990 (3,340) | 11.1 (12.6) | 5.11 (5.221) |
| McNeill Group | Dec. 31 | 1,283 (321) | 8.0 (2.0) | 3.73 (1.381) |
| Ocean Wilsons | Jan. 28 | 2,701 (2,500) | 11.6 (12.0) | 2.573 (2.5) |
| J. T. Parrish | Mar. 25 | 27 (31) | 3.8 (7.0) | 3.823 (3.823) |
| R. Patterson | Mar. 25 | 1,021 (1,438) | 6.5 (13.5) | 2.547 (2.381) |
| Pauls & White | Mar. 31 | 6,239 (5,210) | 17.2 (18.9) | 12.5 (13.51) |
| Pedder-Battersey | Apr. 1 | 12,812 (18,151) | 26.1 (41.5) | 7.683 (6.881) |
| Physu | Mar. 31 | 730 (811) | 11.8 (12.9) | 1.284 (1.239) |
| Prep. & Reversary | Mar. 31 | 1,082 (892) | 8.2 (7.0) | 3.16 (2.69) |
| Reckitts | Mar. 31 | 2,74 (2,381) | 22.5 (23.4) | 3.73 (3.181) |
| Sketchley | Mar. 31 | 3,863 (2,254) | 12.1 (7.8) | 4.69 (2.431) |
| Staveley Inds. | Apr. 1 | 15,017 (6,730) | 84.3 (47.7) | 13.504 (7.81) |
| Triplex Foundries | Mar. 31 | 2,391 (2,047) | 15.0 (13.0) | 4.832 (4.189) |
| Warren Platts | Dec. 31 | 10,889 (4,668) | 51.2 (41.0) | 14.07 (9.1) |
| Warwick Eng. | Mar. 31 | 110 (244) | 1.1 (4.1) | 0.823 (2.292) |
| WGL | Mar. 31 | 1,197 (631) | 16.0 (14.0) | 5.5 (5.2) |
| W. Bromwich Sgs. | Dec. 31 | 1,001 (1,001) | 1.0 (1.0) | 1.09 (1.030) |
| Whiteway Watson | Apr. 1 | 786 (625) | 2.0 (3.0) | 0.578 (0.794) |

INTERIM STATEMENTS

| Company | Half-year to | Pre-tax profit (£000) | Interim dividends per share (p) |
|-------------------|--------------|-----------------------|---------------------------------|
| Berisford (S & W) | Mar. 31 | 13,850 (11,640) | 1.025 (1.175) |
| Bluebell Bros. | Apr. 1 | 190 (183) | 1.65 (1.3) |
| P. J. Carroll | Mar. 31 | 1,800 (2,550) | 2.148 (1.788) |
| Duple Intl. | Feb. 28 | 1,092 (1,058) | 0.233 (—) |
| Empair | Mar. 31 | 3,717 (3,500) | 1.65 (1.5) |
| English China | Mar. 31 | 5,330 (13,310) | 1.125 (1.75) |
| Flexello Castors | Mar. 31 | 166 (112) | 1.155 (1.05) |
| Hickson & Welch | Mar. 31 | 3,740 (4,800) | 1.33 (1.21) |
| Lancashire Ests. | Oct. 31 | 181 (48) | — (—) |
| Nottingham Brick | Mar. 31 | 252 (216) | 4.85 (3.85) |
| Record Ridway | Apr. 2 | 880 (1,066) | 2.0 (1.5) |
| Satchi & Satchi | Mar. 31 | 755 (871) | 2.0 (1.2) |
| Tate & Lyle | Mar. 31 | 11,100 (24,900) | 2.1 (3.1) |
| Tomlinsons Crpts. | Apr. 1 | 994 (251) | — (—) |
| United Guarantee | Mar. 31 | 103 (161) | — (—) |
| White, Cudd | Apr. 2 | 865 (785) | 2.0 (1.8) |

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Not given. ‡ For 52 weeks. § For 53 weeks. § For 26 weeks. § For 23 weeks. § For 13 weeks. L. Loss.

Offers for sale, placings and introductions

Agricultural Mortgage Corporation: Placing of £3m of variable rate bonds 1983 at par.
Exchequer Stock: £800m of 10 per cent Exchequer stock 1983 at £95 per cent.
Exchequer Stock: £1,000m of 12 per cent Exchequer stock 2013-17 at £96 per cent.
Robinson Brothers (Ryders Green): Placing of 1.5m 11 per cent preference shares of £1 each at 109p per share.
West Kent Water Company: Placing of £0.75m of 12.5 per cent redeemable stock 1986 at £98.75 per cent.

Scrip Issues

Great Portland Estates: One-for-two.
Robinson Brothers (Ryders Green): Two preference for one ordinary.
Satchi and Satchi: One-for-three.

Bishop's planning to combat reduced profit margins

Following the High Street "price wars" which severely hit 1977-78 margins and profits of Bishop's Stores, Mr. John H. Bradfield, the chairman, says in his annual statement that it now seems unlikely that food retailing and wholesaling will return to the percentage margin levels of earlier years and with this in mind each of the group's companies is planning accordingly.

In the shorter term, the directors are concentrating on cost reduction and sales drives, while in the longer term, they aim to retain ownership of the group's major premises to avoid the devastating rent reviews brought about by inflation and demand, he adds.

The group is developing a proportion of branches on its own account to avoid third party profits and the "expensive dreams" of developers' architects, although initially it may be faced with high interest charges, states Mr. Bradfield.

At reported on June 10, taxable profits slumped from £2.1m to £0.8m for the year to February 28, 1978 on sales of £11.5m.

In addition to the price war, which adversely affected each of the group's trading companies either directly or indirectly, the group was faced with a number of unexpected costs, the chairman points out.

The relatively low up share, the volume but high margin activity will contribute to profits in the net.

current year, members are told. The chairman adds that a lower contribution to profits by the group's cash and carry subsidiary is understandable in the circumstances prevailing, but is open to improvement in the future.

Meeting, Ruislip, July 12, at 3 pm.

Dorrington ahead to £627,000

AFTER REPORTING profits up £40,000 to £301,000 at midway, Dorrington Investment Company finished the year to March 31, 1978 ahead from £234,000 to £274,000 pre-tax, on lower turnover of £3.28m against £4.55m.

At the interim stage, the directors said buoyant trading conditions were expected to continue in the second half and this should yield increased profits.

The current year has begun promisingly and all indications are that it will be successful, they now report.

Tax for the year takes £246,000 (£208,000) giving stated earnings increased from 4.2p to 4.61p per share. The dividend total is stepped up to 3.0894p (2.766p) net.

Caffyns overtakes £1m—pref. scrip

A SECOND half advance in taxable earnings from £460,725 to £611,452 by Caffyns, automobile agency and engineering group, lifted profit for the year to March 31, 1978, to a record £1.08m against £800,687. Sales improved £5.85m to £28.36m.

The net total dividend is raised to 6.4p (5.57p) with a final 4.4p per 50p share and a scrip issue on the basis of one new preference share for five ordinary is proposed.

Tax took £376,312 (£478,976) for earnings per share of 14.8p. Profit was struck after depreciation, interest and other charges amounting to £245,372 (£231,975), and an extraordinary gain of £138,747 (£8,048) took the attributable sum up to £644,482 (£482,027).

Turnover which rose by only 4 per cent to £7.5m was adversely affected by a substantial fall in the sale of bedding units caused by a fire at Doric Unit Company (Springs) and it was the main cause of profits through insurance which resulted in improved margins.

The final net dividend payment is 0.4535p for a 0.638p (0.5942p) total.

Reporting improvement in profit from a depressed £50,000 to £200,000 for the half year to March 31, 1978, the directors of Henry Norrington and Sons say they expect profit at full time to be about £150,000.

Sales, particularly of machinery, are expected to be successful.

Lawson High Yield 15th JUNE PAY DIV

£204,485

* 15th quarterly payment on 23,777,251 units. 0.86p per unit. Payable 15th June 1978.

* Current estimated gross yield 11% P.A. Units purchased by 31st July 1978 qualify for next quarterly payment on 15th September 1978.

* First issued in June 1974 at 33.3p (adjusted for 2 for 1 subdivision). Recent price for accumulation units 72.6p. Fund value £12 million. 8,000 investors.

* Minimum holding only £600 for the time being. Preferential discounts to Lawson unit holders purchasing extra units.

LAWSON SECURITIES LTD, 63 GEORGE STREET, EDINBURGH EH2 2JG. Tel: 031-226 3911 (24 hour service) Phone for detailed brochure on Lawson High Yield Fund.

London Wall Extra Income Growth Units

Estimated Current Gross Yield (15.6.78) Capital Growth of income units since launch in February 1976

9.99% 61.6%

London Wall Extra Income Growth Units offer you a high income from an investment in carefully chosen high yielding equities with a small proportion of fixed interest stocks.

The aim is to produce not only a high income but an increasing income over the years coupled with capital growth. And this has certainly been achieved since February 1976 when the trust was launched. New investors in this unit trust get an estimated gross commencing yield of 9.99%. In addition since the launch, the offer price of the units has risen by no less than 61.6% compared with a rise of 17.4% in the FT Industrial Ordinary Index over the same period.

Investors have therefore fared much better than they would have done in any fixed interest investment.

London Wall Extra Income Growth Trust is a unit trust in the Tyndall Group which currently manages over £200 million on behalf of some 80,000 investors. You can invest in this trust for as little as £500.

Remember that the price of units and the income from them can go down as well as up.

You should regard your investment as long term.

Important details

Units, which are dealt in daily, will be allocated as the offer price prevailing when your completed application is received. The offer price of the units on 15th June 1978 was 40.4p. Daily prices and yields are quoted in most national daily newspapers. The minimum investment is £500.

To invest, fill in the coupon or talk to your financial adviser. Applications will be accepted until midnight on the 30th June 1978. If you wish to sell your units, the Managers will purchase them at the bid price on any dealing day. Payment will normally be made within seven days of the receipt of your completed certificate.

APPLICATION FOR UNITS

The Tyndall Group, 18 Canynge Road, Bristol BS99 7UA. (Registered No. 792118, England)

I am investing in the Tyndall Group Extra Income Growth Units at the offer price ruling on the day upon receipt of this application. Minimum investment £500. Cheques should be made payable to The Tyndall Group. Commission of 10% is payable to recognised agents.

Surname (Mr/Ms/Ms or Miss) Christian Name (in full) Full address

I declare that I am over 18, and am not resident outside the UK or in a Scheduled Territory and that I am not acquiring the units on the basis of any person resident outside these Territories.

Signature (If you are unable to make the declaration, it should be dated and the form lodged through your broker or agent, or by post, to the Registrar of Companies, Companies Act 1947, 10, Abchurch Lane, London EC4N 3DF.)

ATyndall Group Unit Trust

Member of the Unit Trust Association

Antofagasta down despite Chile profit

Taxable profits of Antofagasta (Chile) and British Railways Company fell from £473,682 to £251,473 in 1977 on group turnover marginally up to £3.29m, against £3.22m. After revaluation adjustments and tax there was however a recovery from a £24,117 loss to a £26,982 surplus in Chile.

In November, the directors warned that because of difficulties and delays in applying tariff increases, it appeared certain that after charging depreciation and monetary correction a greater loss would be incurred on the company's operations in Chile during the year than in 1976.

Raeburn Inv. maintains £500,000

After a tax of £0.35m, against £0.38m, Raeburn Investment Trust maintained available net revenue for the half-year to May 31, 1978, at £312,905 compared with £304,103. Gross revenue was marginally up from £1.14m to £1.15m.

Including a dollar premium of £0.36m (£0.61m) the market value of investments at midway amounted to £31.11m (£44.85m) for net asset value per 25p share to reach 178.9p: a 9.7 per cent increase on November 30, 1977, and 10.1 per cent on May 31 of that year. Fully diluted the value would have been 173.3p up 9.6 per cent and 10 per cent respectively.

The net interim dividend is raised to 2.25p (1.1p) costing £301,394 (£268,961). Last year's final 2.6p was paid from available net revenue of £1.11m.

Expenses for the first half took £82,353 (£62,188) and interest £104,476 (£147,848) net revenue dividend absorbed £38,068 (same).

London & Associated shows recovery

With interest payments down from £215,723 to £157,80

Wall St. falls another 7.28

INVESTMENT DOLLAR

2.60 to 2.11% (in 11%)
Effective \$10.00 50% (50%)

FURTHER SHARP losses were recorded on Wall Street yesterday, following disappointing news on interest rates.

The Dow Jones Industrial Average lost another 7.28 to 826.97, making a fall of 22.26 on the week. The NYSE All Common Index at 834.80, shed 31 cents on the day and \$1.28 on the week, while declines led gains by a three-to-one majority. Trading volume decreased 1.38m shares to 27.69m.

Most major banks raised the Prime Rate to 8 1/8 per cent from 8 1/4 per cent. This came a day after the Fed reported U.S. Money Supply was unchanged in the latest week.

Investors had hoped for a drop

in the Money Supply to offset the sharp 4 1/2% rise a week earlier. The Fed was active in the Government Securities Market with moves that analysts said held the Fed Funds rate at 7 1/4 per cent. However, it is widely believed that the key rate will rise eventually, with only the timing being in doubt.

The Commerce Department reported an 0.9 per cent rise in May personal income after a 1.3 per cent gain in April. It also said May housing starts fell 4.9 per cent to a seasonally adjusted annual rate of 2.08m, while building permits dropped 8.8 per cent to an annual rate of 1.59m.

The reports indicate some slowing of economic growth, which analysts said is necessary if inflation is to abate.

Eastman Kodak lost \$13 to \$54; a Federal Court denied a Berkey Photo request that Kodak divest its photo manufacturing and photo finishing operations and its trademarks. Tropicana Products gave way \$2 1/4 to \$48 - the Federal Trade Commission asked Beatrice Foods, off \$1 to \$23 1/2, to delay its acquisition of Tropicana but Beatrice declined to accede to the request. Celanese dipped \$1 to \$40 1/2 - it expects second quarter net of

\$1.55 to \$1.60 a share, up from \$1.33 a year earlier. Ford Motor gained \$1 to \$46 1/2 - it forecast 11.2m cars will be sold in the U.S. this year. The American SE Market Value Index slipped 0.58 to 150.16, making a loss of 0.81 on the week. Volume 4.11m shares (4.80m).

CANADA - With the exception of Golds, which moved up 36.4 to 1424.4 on index, all other sectors gave ground. The Toronto Composite Index shed 1.8 to 1146.4. Metals and Minerals Index dipped 3.8 to 952.3. Oil and Gas 0.7 to 1465.9. Utilities 0.27 to 173.89. Banks 0.82 to 277.69 and Papers 0.12 to 115.64.

TOKYO - Domestic - oriented and Export-oriented issues moderately active, with the latter market, Turnover 280m (220m) shares.

BRUSSELS - Mostly lower in moderate trading after Prime Minister Leo Tindemans tendered his resignation. U.K. stocks mixed. Germans, Dutch, U.S. and French issues lower. Gold Mines steady to firm. HONG KONG - Slightly lower in very active trading, with much local and some European profit taking. AUSTRALIA - Easier in quiet trading. Renison fell A\$1.20 to 9.60.

Uranium also fell, Coppers steady. MILAN - Lower over a broad front in very thin dealings, following the resignation of President Giovanni Leone. Bonds quietly steady. GERMANY - Prices firmed in generally quiet trading. Veba gained DM 5.70 on higher first-quarter group net profits. Public Authority Bonds lost 10 pfennigs and Regulating Authorities bought nominal DM 15.5m of stock. Mark Foreign Loans mixed.

PARIS - Easier in calm trading, despite some buying by institutional investors. U.S. shares weakened, Inter-national Oils irregular, Golds firmed, Coppers eased. JOHANNESBURG - Gold shares moderately firmer, reflecting higher bullion trend. Mining Financials generally higher. Coppers steady, as were Platinum and Industrial again firmer.

SWITZERLAND - Narrowly mixed in light volume. Banks steady. Financials narrowly mixed. Insurances slightly higher, leading Industrials steady. Domestic bonds edged higher, but Montefiore dropped 1 per cent the first day of trading. Foreign Bonds mixed.

FRIDAY'S ACTIVE STOCKS

| Stock | Change | Stock | Change |
|-----------------|--------|-----------------|--------|
| Am. Express | +0.12 | Am. Tobacco | +0.12 |
| Am. Intl. Corp. | +0.12 | Am. Water Works | +0.12 |
| Am. Life Ins. | +0.12 | Am. Zinc | +0.12 |
| Am. Oil | +0.12 | Am. Zinc | +0.12 |
| Am. Paper | +0.12 | Am. Zinc | +0.12 |
| Am. Steel | +0.12 | Am. Zinc | +0.12 |
| Am. Sugar | +0.12 | Am. Zinc | +0.12 |
| Am. Tea | +0.12 | Am. Zinc | +0.12 |
| Am. Tobacco | +0.12 | Am. Zinc | +0.12 |
| Am. Water Works | +0.12 | Am. Zinc | +0.12 |
| Am. Zinc | +0.12 | Am. Zinc | +0.12 |

Indices

NEW YORK - DOW JONES

| | June 16 | June 17 | June 14 | June 13 |
|-------------|---------|---------|---------|---------|
| Industrial | 636.97 | 644.25 | 654.56 | 655.98 |
| Home Builts | 87.50 | 87.95 | 87.83 | 87.66 |
| Foreign | 222.23 | 225.46 | 229.21 | 228.74 |
| Unimproved | 105.16 | 105.51 | 106.16 | 106.02 |
| Trading Co. | 27.690 | 29.320 | 27.590 | 30.760 |

Rhone-Poulenc moves out of the red

ear, but the group will say no more than that this pattern will continue until the holidays. Nonetheless it hazard a translation of this into terms of likely profits.

Investments of FFR 1.46bn last year were financed without recourse to additional indebtedness, although the need for working capital meant that there was a net outflow across-the-board increase in borrowing. The final profit arrived at after FFR 1.37bn in provisions and FFR 1.78bn in financial charges. The group had shed some 2,200 jobs over the year.

Overseas growth continued to outdistance the performance in Germany, with sales more than doubling, reaching 59 per cent of the total against 57 per cent of the previous year.

Liquigas posts
...ial directly and a further 42 per cent through Societa Assicuratrice Industriale, which he controls. The second major shareholder of Liquigas is Montedison with around 12 per cent.

Billerud, Uddeholm agree

Liquigas and Liquechimica are among the companies expected to benefit from a Bill drawn up at a cabinet meeting today setting the rules for the participation of banks in the financial salvage of debt stricken enterprises.

Banks have money, by contrast, Liquechimica, were working on plans for the salvage of the Liquigas group's chemical operations.

Giulio Andreotti recently outlined at a shareholders' meeting a proposal for setting up a holding company for the entire group with the participation of banks.

Reuter

**U MISS
BOAT?**

For 20% in the last 10 weeks
g that the all-time high could
e than a possibility one thing
movements will continue to
to the well-informed futures
high risks which undoubtedly

services of a reliable broker,
ake firm but reasoned price
T. is that broker and whether
r simply receive the next two
Report free of charge, please

U.S. Markets

Copper ends steady

NEW YORK, June 16.

COPPER FINISHED the week on a steady basis on mixed trade and Commission reports. Activity, however, remained quiet. Metals maintained their rally of recent weeks with strong speculative buying and a rise in the price of the metal. The following are the U.S. dollar, Sugar stated in the London market, and the price of the short-covering and industrial price of copper.

| | | | |
|---------|--------------|--------------|--------------|
| June 15 | 125.68 | 125.75 | Sept. 124.88 |
| 131.00 | Sept. 127.00 | March 124.25 | May 124.00 |
| 15 | 125.12 | 125.33 | Sept. 115.33 |

Sales 100,000 lbs.

| | | |
|----------|----------|--------------------|
| Copper—C | Contract | July 164.80-165.35 |
| 165.00 | Sept. | 164.94 |
| 165.00 | Oct. | 164.94 |
| 165.00 | Nov. | 164.94 |
| 165.00 | Dec. | 164.94 |
| 165.00 | Jan. | 164.94 |
| 165.00 | Feb. | 164.94 |
| 165.00 | Mar. | 164.94 |
| 165.00 | Apr. | 164.94 |
| 165.00 | May | 164.94 |
| 165.00 | June | 164.94 |

[illegible][illegible]

Wheat—SCWRS 13.5 per cent protein
containing St. Lawrence 167.06 (166.94).
All cents per pound ex-warehouse,
unless otherwise stated. * 88 per ton

lunes-100 bushel lots. † Chicago loose
\$ per 100 lbs.-Dept. of Ag. prices per
lots day. Prime steam flou. NY bulks
cask car. † Cents per 55 lbs bushel
warehouse. 5,000 bushel lots. † \$8
ry ounce for 50 oz units of 95¢
out purity delivered NY. † Cents
ry ounce ex-warehouse. † New - B

contract in 3s a short ton for bulk
† 100 short tons delivered fab cars
Chicago, Toledo, St. Louis and Alton
† Cents per 69 lb bushel in store
Cents per 25 lb bushel. † Cents per
5 lb bushel ex-warehouse. † Cents per
5 lb bushel ex-warehouse. 10,000 bushels

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

[illegible]

Allied Irish Banks
announce
that the following
rate will apply from
13th JUNE, 1978
Base Lending Rate
10% per annum

NOTES

Prices do not include 5% net event where indicated & are in pence unless otherwise indicated. Yields are shown in last column, allow for all buying expenses. A offered price include all expenses. * Today's present & offer based on market premium insurance plans. A opening price. A distribution on price includes all expenses except agent's commission. A premium insurance. A price includes all expenses except agent's commission. A net of price includes all expenses if bought through managers. A previous day's price. A offered price on realised capital gains unless indicated by a †. A Guernsey gross. A Suspended. A Yield before Jersey tax. † Ex-liquidation.

I.G. Index Limited 01-351 2466. September Coffee 1663 3/4
29 Lamont Road, London SW19 0HS.

1. Tax-free trading on commodity futures.
2. The commodity futures market for the smaller investor.

CLIVE INVESTMENTS LIMITED

1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 11
Index Guide as at 7th June, 1978 (Ease 100 at 141.77)

| | |
|------------------------------------|--------|
| Index Fixed Interest Capital | 126.93 |
|------------------------------------|--------|

FINANCE, LAND—Continued

| 1975 | High | Low | Stock | Price | Net | Disc | Cr | Fin |
|------|------|-----|----------------------|-------|-----|------|----|-----|
| 101 | 75 | 75 | Anglo-Indonesian | 100 | 99 | 3.5 | 5 | |
| 102 | 75 | 75 | Bangam Co. Inc. | 100 | 99 | 3.5 | 5 | |
| 103 | 75 | 75 | Baru Africa | 100 | 99 | 3.5 | 5 | |
| 104 | 75 | 75 | Bombay Petroleum | 100 | 99 | 3.5 | 5 | |
| 105 | 75 | 75 | Castelliole Inc. | 100 | 99 | 3.5 | 5 | |
| 106 | 75 | 75 | Chesapeake Inc. | 100 | 99 | 3.5 | 5 | |
| 107 | 75 | 75 | Chesapeake Petroleum | 100 | 99 | 3.5 | 5 | |
| 108 | 75 | 75 | Central Petroleum | 100 | 99 | 3.5 | 5 | |
| 109 | 75 | 75 | Guinea Inc. | 100 | 99 | 3.5 | 5 | |
| 110 | 75 | 75 | Highlands Mide | 100 | 99 | 3.5 | 5 | |
| 111 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 112 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 113 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 114 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 115 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 116 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 117 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 118 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 119 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 120 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 121 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 122 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 123 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 124 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 125 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 126 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 127 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 128 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 129 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 130 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 131 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 132 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 133 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 134 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 135 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 136 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 137 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 138 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 139 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 140 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 141 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 142 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 143 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 144 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 145 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 146 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 147 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 148 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 149 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 150 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 151 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 152 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 153 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 154 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 155 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 156 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 157 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 158 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |
| 159 | 75 | 75 | Indonesian | 100 | 99 | 3.5 | 5 | |

[illegible]

| | | | | | | |
|-----|-----|-----|----------------|-----|----|-----|
| 167 | 527 | 511 | Northeast | 205 | 22 | 1.0 |
| 168 | 528 | 512 | Southwest | 206 | 22 | 1.0 |
| 169 | 529 | 513 | Southwest | 207 | 22 | 1.0 |
| 170 | 530 | 514 | Southwest | 208 | 22 | 1.0 |
| 171 | 531 | 515 | Van Rensselaer | 209 | 22 | 1.0 |
| 172 | 532 | 516 | Westchester | 210 | 22 | 1.0 |
| 173 | 533 | 517 | Westchester | 211 | 22 | 1.0 |
| 174 | 534 | 518 | Westchester | 212 | 22 | 1.0 |
| 175 | 535 | 519 | Westchester | 213 | 22 | 1.0 |
| 176 | 536 | 520 | Westchester | 214 | 22 | 1.0 |
| 177 | 537 | 521 | Westchester | 215 | 22 | 1.0 |
| 178 | 538 | 522 | Westchester | 216 | 22 | 1.0 |
| 179 | 539 | 523 | Westchester | 217 | 22 | 1.0 |
| 180 | 540 | 524 | Westchester | 218 | 22 | 1.0 |
| 181 | 541 | 525 | Westchester | 219 | 22 | 1.0 |
| 182 | 542 | 526 | Westchester | 220 | 22 | 1.0 |
| 183 | 543 | 527 | Westchester | 221 | 22 | 1.0 |
| 184 | 544 | 528 | Westchester | 222 | 22 | 1.0 |
| 185 | 545 | 529 | Westchester | 223 | 22 | 1.0 |
| 186 | 546 | 530 | Westchester | 224 | 22 | 1.0 |
| 187 | 547 | 531 | Westchester | 225 | 22 | 1.0 |
| 188 | 548 | 532 | Westchester | 226 | 22 | 1.0 |
| 189 | 549 | 533 | Westchester | 227 | 22 | 1.0 |
| 190 | 550 | 534 | Westchester | 228 | 22 | 1.0 |
| 191 | 551 | 535 | Westchester | 229 | 22 | 1.0 |
| 192 | 552 | 536 | Westchester | 230 | 22 | 1.0 |
| 193 | 553 | 537 | Westchester | 231 | 22 | 1.0 |
| 194 | 554 | 538 | Westchester | 232 | 22 | 1.0 |
| 195 | 555 | 539 | Westchester | 233 | 22 | 1.0 |
| 196 | 556 | 540 | Westchester | 234 | 22 | 1.0 |
| 197 | 557 | 541 | Westchester | 235 | 22 | 1.0 |
| 198 | 558 | 542 | Westchester | 236 | 22 | 1.0 |
| 199 | 559 | 543 | Westchester | 237 | 22 | 1.0 |
| 200 | 560 | 544 | Westchester | 238 | 22 | 1.0 |
| 201 | 561 | 545 | Westchester | 239 | 22 | 1.0 |
| 202 | 562 | 546 | Westchester | 240 | 22 | 1.0 |
| 203 | 563 | 547 | Westchester | 241 | 22 | 1.0 |
| 204 | 564 | 548 | Westchester | 242 | 22 | 1.0 |
| 205 | 565 | 549 | Westchester | 243 | 22 | 1.0 |
| 206 | 566 | 550 | Westchester | 244 | 22 | 1.0 |
| 207 | 567 | 551 | Westchester | 245 | 22 | 1.0 |
| 208 | 568 | 552 | Westchester | 246 | 22 | 1.0 |
| 209 | 569 | 553 | Westchester | 247 | 22 | 1.0 |
| 210 | 570 | 554 | Westchester | 248 | 22 | 1.0 |
| 211 | 571 | 555 | Westchester | 249 | 22 | 1.0 |
| 212 | 572 | 556 | Westchester | 250 | 22 | 1.0 |
| 213 | 573 | 557 | Westchester | 251 | 22 | 1.0 |
| 214 | 574 | 558 | Westchester | 252 | 22 | 1.0 |
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| O.F.S. | | | | | | | |
| 95 | 75 | Free State | 80 | | Q11: | | |
| 96 | 76 | F's Geduld | 80 | 515 | + | Q494: | |
| 97 | 77 | F's Sanguine | 81 | 80 | - | 2 | |
| 98 | 78 | Farmen, 50c | 81 | 34 | + | Q51: | |
| 99 | 79 | Lorraine | 81 | 87 | + | Q5: | |
| 100 | 80 | Prang, 50c | 81 | 901 | + | Q106: | |
| 101 | 81 | W. Erie | 81 | 80 | + | Q106: | |
| 102 | 82 | S. Helena | 81 | 899 | + | Q115: | |
| 103 | 83 | Unget | 81 | 189 | + | Q158: | |
| 104 | 84 | W. Holdings, 50c | 81 | 238 | + | Q180: | |
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NOTES

Unless otherwise indicated, prices and net dividends are prices and denominations are \$25. Estimated price/earnings ratios and covers are based on latest annual reports and accounts. Dividends are based on the full year of figures. P/E's are calculated on the basis of net distributions; bracketed figure indicates 10 percent or more difference if calculated on A.C.T. basis. Distributions in error are indicated as distributions in error. Yields are based on middle prices, are gross, adjusted to A.C.T. basis, and allow for value of declared distributions as a percentage of the investment dollar rather than as a percentage inclusive of the investment dollar premium.

* Sterling denominated securities which have increased in dollar premium.

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| | 40 | R.H.M. | 5 | Silver | 2 |
| | 40 | Banknote A. | 18 | Copper | 2 |
| | 40 | Hed. Intnl. | 12 | Mines | |
| | 40 | Soilers | 3 | Charter Cons. | 1 |
| | 22 | Torn | 22 | Cors. Gold | 7 |
| | 22 | Trust Houses. | 15 | Rio T. Zinc | 1 |

A selection of Options traded is given on the London Stock Exchange Report page

